

BOARD OF INTERMEDIATE EDUCATION, KARACHI

INTERMEDIATE EXAMINATION, 2016 (ANNUAL)

Date: 18.05.2016

2:30 p.m. to 2:50 p.m.

ACCOUNTING PAPER – I (Commerce Group – Regular & Private)

Max. Marks: 20

Time: 20 minutes

The correct answers are
highlighted in red colour.

SECTION ‘A’

(MULTIPLE CHOICE QUESTIONS) – (M.C.Qs.)

Code No: AC-01

Write this Code No. in the Answerscript.

NOTE:

- This section consists of 20 part questions and all are to be answered. Each question carries one mark.
- Do not copy the part questions in your answerbook. Write only the answer in full against the proper number of the question and its part.
- The code of your question paper is to be written in bold letters in the beginning of the answerscript.

1. Choose the correct answer for each from the given options:

- The last step in Accounting Cycle is:
* Trial Balance * **Balance Sheet**
* Post-Closing Trial Balance * Income Statement
- Sales journal contains:
* Suppliers accounts * Customers subsidiary ledger
* **Credit sales** * Cash sales
- Adjusted Trial Balance is prepared after:
* Pre-Closing Trial Balance * **Adjusting Entries**
* Income Statement * Balance Sheet
- Ending Balance of Expense and Revenue summary account is shown as:
* **Profit or Loss** * Total Assets * Total Liabilities * Owner's Equity
- Profit or Loss is finally transferred to:
* Cash account * **Capital account**
* Drawing account * Purchase account
- Income earned but not received is known as:
* Expense * Liability * **Asset** * Capital
- Bank statement shows a Credit balance, means:
* **Favourable balance** * Unfavourable balance
* Adjusted balance * Overdraft balance
- Businessman uses petty cash book for recording:
* **Petty cash payment** * Petty cash receipts
* Cash receipt and payments * all cash payments
- This is recorded in both Income statement and Balance sheet:
* Expenses * Merchandise inventory beginning
* **Merchandise inventory ending** * Capital
- Balance sheet is prepared for:
* Net loss * Net Sales * **Financial position** * Net purchases
- Credit terms 2/10, n/30 means:
* 10% discount, payment within two days * 30% discount, payment within 10 days
* 10% discount, payment within 30 days * **2% discount, payment within 10 days**
- Unearned income is:
* Current Asset * **Current Liability** * Fixed asset * Capital
- It is not included in Income statement:
* **Unearned commission** * Commission income
* Sales Return and allowance * Purchase discount
- Defective part of the equipment returned to supplier will be credited to:
* Purchases * Purchases return and allowance * **Equipment** * Sales
- An increase in Transportation-In will result:
* Decrease in cost of Goods sold * Increase in Gross Profit
* **Increase in cost of Goods sold** * none of these
- Expense due but not paid is a/an:
* Asset * Income * **Liability** * Capital
- Gross Profit is Rs. 25,000 and Net profit is 70% of Gross profit, the operating expenses are:
* Rs. 5,500 * Rs. 6,500 * **Rs. 7,500** * Rs. 8,500
- Non-current assets includes:
* Notes receivable * Office supplies * **Machinery** * Unexpired Insurance
- Net Profit + Operating Expenses + Cost of goods sold is equal to:
* Gross Profit * Net Loss * **Sales** * Purchases
- The following does not affect total assets:
* Payment of Liability * Purchased Furniture on account
* Drawing by owner * **Deposited cash into bank**

-----XXXXXXXXXX-----