

# BOARD OF INTERMEDIATE EDUCATION, KARACHI

## INTERMEDIATE EXAMINATION, 2016 (ANNUAL)

Date: 09.05.2016  
2:30 p.m. to 2:50 p.m.

### ACCOUNTING PAPER – II (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-09

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:

- At the time of Admission of a new partner, when the old partners do not agree to reduce their capital, it means:  
\* **Goodwill to new partner** \* Goodwill to old partners  
\* Bonus to old partners \* Bonus to new partner
- Partners' current accounts are a part of:  
\* Income statement \* Current assets \* Fixed assets \* **Owners' equities**
- Debentures payable account is:  
\* Current Liability \* Owners equity  
\* **Long term liability** \* none of these
- Reserves are created out of:  
\* **Retained earnings** \* Current liabilities  
\* Current assets \* Long term liabilities
- If a journal entry consists more than one debit or one credit account, the entry is called:  
\* Single entry \* **Compound entry** \* Simple entry \* none of these
- A public limited company is managed by the:  
\* **Board of Directors** \* Board of Governors \* Creditors \* Debtors
- Accumulated Depreciation account is:  
\* Current asset \* Intangible asset \* **Contra asset** \* Liability
- Profit distributed to shareholders known as:  
\* Interest \* Net income \* **Dividend** \* Commission
- Cost-Accumulated depreciation is equal to:  
\* Book value \* **Depreciable cost** \* Market cost \* Retail cost
- The nominal value printed on the face of share is called:  
\* Market value \* Retail value \* Cost value \* **Par value**
- While computing the cost of plant asset, this will not be included:  
\* Insurance in transit \* **fire insurance** \* Transportation in \* Installation charges
- This does not appear in Balance sheet:  
\* Building \* Cash \* Goodwill \* **Rent expenses**
- The amount of share capital with which a company is registered is called:  
\* Called up capital \* **Authorised capital** \* Paid up capital \* Issued capital
- Accumulated profits of a company are called:  
\* Net Income \* Liabilities \* **Retained Earnings** \* Dividends
- Owners of a Public limited company are called:  
\* Directors \* Promoters \* Liquidators \* **Shareholders**
- In single entry system, a statement composed of Assets, Liabilities and Capital is called:  
\* Profit/Loss statement \* **Statement of Affairs**  
\* Statement of Retained Earnings \* Bank Statement
- In Non-profit concerns, the amount collected from members on regular basis is known as:  
\* **Subscription** \* Donation \* Loan \* Fees
- The alternative term used for salvage value is:  
\* **Scrap value** \* Market value \* Book value \* Depreciable cost
- In the absence of any agreement regarding sharing of profit/loss, it will be distributed among the partners:  
\* In average capital ratio \* In ending capital ratio  
\* In beginning capital ratio \* **Equally**
- Current Accounts of the partners are operated when the capitals:  
\* Increase \* Decrease \* Fluctuate \* **are Fixed**

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