

# 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-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:

- 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**
- 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

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