

**BOARD OF INTERMEDIATE EDUCATION, KARACHI**  
**INTERMEDIATE EXAMINATION, 2016 (ANNUAL)**

Date: 12.05.2016  
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-17

Write this Code No. in the Answerscript.

**NOTE:**

- i) This section consists of 20 part questions and all are to be answered. Each question carries one mark.
- ii) 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.
- iii) 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:

- i) If total Assets are Rs. 50,000 and liabilities are 20% of assets, then capital is:  
\* Rs. 10,000 \* **Rs. 40,000** \* Rs. 50,000 \* Rs. 60,000
- ii) Un-earned income is a/an:  
\* Asset \* **Liability** \* Owner's Equity \* Expense
- iii) The term 'Cost of Goods Sold means':  
\* Sales + Gross profit \* Sales – Net profit  
\* Sales + Net profit \* **Sales – Gross profit**
- iv) Closing entries are made to close:  
\* Assets account \* Liabilities account  
\* Capital account \* **Revenues and expenses account**
- v) The owner's claim to the assets of the business is:  
\* Asset \* Expense \* Liability \* **Owner's Equity**
- vi) A business that purchases and sells goods is called:  
\* Manufacturing \* Servicing \* **Trading** \* none of these
- vii) These accounts normally have credit balances except:  
\* Bank loan \* Sales \* **Sales return** \* Accounts payable
- viii) This is Non-current asset:  
\* Inventories \* **Equipments** \* Office supplies \* Accounts Receivable
- ix) Amount paid for servicing of owner's car will be recorded as:  
\* Asset \* Liability \* Expense \* **Drawing**
- x) The excess of assets over capital is:  
\* Income \* Expense \* Profit \* **Liability**
- xi) Revenue of business is Rs. 60,000, while Net loss is Rs. 15,000 then expenses are:  
\* Rs.15,000 \* Rs.45,000 \* Rs.60,000 \* **Rs.75,000**
- xii) All cash receipts and payments are recorded in:  
\* Purchase Journal \* Sales Journal \* Pass Book \* **Cash Book**
- xiii) Contra entry appears on this side of cash book:  
\* Payment side \* Receipt side \* **Both sides** \* none of these
- xiv) Journals are also called:  
\* Ledgers \* Books of final entry  
\* **Books of primary entry** \* Financial statements
- xv) Overdraft in the bank statement is shown as:  
\* Credit Balance \* **Debit Balance** \* Zero Balance \* Both Debit & Credit Balance
- xvi) Ending stock is:  
\* Liability \* Income \* **Asset** \* Capital
- xvii) This shows the financial position of the business:  
\* Income Statement \* Cash Book \* **Balance Sheet** \* Bank Statement
- xviii) Cost of goods sold is a part of:  
\* Equities \* Balance sheet \* **Income statement** \* Cash book
- xix) This account will be credited, if Mr. A started business with cash:  
\* **Capital** \* Cash \* Drawing \* Expense
- xx) An Entry with more than one debit or credit is called:  
\* Double entry \* **Compound entry** \* Contra entry \* Triple entry

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