

AGA KHAN UNIVERSITY EXAMINATION BOARD
HIGHER SECONDARY SCHOOL CERTIFICATE
CLASS XI
MODEL EXAMINATION PAPER 2023 AND ONWARDS
Principles of Accounting Paper II
Time: 1 hour 50 minutes Marks: 60

INSTRUCTIONS

Please read the following instructions carefully.

1. Check your name and school information. Sign if it is accurate.

I agree that this is my name and school.
Candidate's Signature

RUBRIC

2. There are TWELVE questions. Answer ALL questions.
3. When answering the questions:
Read each question carefully.
Use only a black pointer to write your answers. DO NOT write your answers in pencil.
Use a black pencil for diagrams. DO NOT use coloured pencils.
DO NOT use staples, paper clips, glue, correcting fluid or ink erasers.
Complete your answer in the allocated space only. DO NOT write outside the answer box.
4. The marks for the questions are shown in brackets ().
5. You may use a scientific calculator if you wish.
6. Wherever new terminologies are mentioned their old terminologies are mentioned in the brackets for your assistance.

Q.1. (Total 2 Marks)

Ammar prepares his accounting records for a period of 12 months which starts from April 01 and ends on March 31 each year.

i. Identify the accounting period followed by Ammar. (1 Mark)

ii. Name the other accounting period that can be used by Ammar for preparing the financial statements. (1 Mark)

Q.2. (Total 4 Marks)

Identify the account heads that would be debited or credited by the given transactions.

S. No.	Scenario	Debit	Credit
1	Purchased office supplies on account for Rs 5,400		
2	Purchased merchandise worth Rs 25,000		
3	Sold goods on account to Mr Saleem for Rs 6,700		
4	Purchased fixtures for the store worth Rs 250,000		

Q.3.

(Total 6 Marks)

Following balances have been extracted from the books of ABC Traders as on March 31, 2021.

S. No.	Account Title	Amount (Rs)
1	Cash in hand	35,000
2	Supplies	5,000
3	Purchases	45,000
4	Trade payables (accounts payable)	1,500
5	Purchases returns	3,500
6	Sales	75,000
7	Sales returns	1,500
8	Insurance expense	9,500
9	Prepaid rent	11,500
10	Salary expense	8,500
11	Advertisement expense	7,500
12	Commission income	15,000
13	Inventory on April 01, 2020	10,000
14	Capital	39,500
15	Drawing	1,000

Prepare the trial balance as on March 31, 2021 for ABC Traders from the given balances on page 4.

PLEASE TURN OVER THE PAGE

[illegible]

Q.4.

(Total 6 Marks)

a. Differentiate between ordinary and imprest petty cash systems.

(2 Marks)

Ordinary Petty Cash System	Imprest Petty Cash System
1.	1.

b. The given petty cash book has been taken from the books of Nehal Traders for the month of March 2018.

Petty Cash Book									
Receipts	Date	Details	Voucher No.	Total	Postage and Stamps	Conveyance	Printing and Stationary	Coolie and Cartage	Miscellaneous
650	Mar 01	Balance b/d							
2,850	Mar 01	Cash							
	Mar 05	Conveyance paid		180		180			
	Mar 09	Stamps bought		45	45				
	Mar 16	Colour paper bought		110			110		
	Mar 19	Tips given to peon		50					50
	Mar 21	Purchase memo book		1,650			1,650		
	Mar 23	Paid to coolie		130				130	
	Mar 25	Local travelling paid		160		160			
	Mar 31	Letter post		120	120				
				2,445	165	340	1,760	130	50
		Balance c/d		1,055					
3,500				3,500					
1,055	Apr 01	Balance b/d							
2,445	Apr 01	Cash							

PLEASE TURN OVER THE PAGE

Prepare the general journal entries in the books of Nehal Traders for the following transactions.

- i. Reimbursement of petty cash fund on March 01, 2018 (1 Mark)
- ii. Payment made from petty cash fund (2 Marks)
- iii. Reimbursement of petty cash fund on April 01, 2018 (1 Mark)

[illegible]

Q.5.

(Total 6 Marks)

Post the general journal entries for Ms Saima, a sole trader.

1. Purchased merchandise for Rs 50,000 of which she paid Rs 10,000 as down payment and agreed to pay the remaining amount later
2. Purchased a packaging device from Salman Traders for Rs 15,000
3. Withdrew cash Rs 15,000 and merchandise worth Rs 5,000
4. Purchased merchandise on cash from Mirza Traders for Rs 15,000 and also paid Rs 2,500 for the transportation in
5. Sold goods to Zia Brothers for Rs 15,000 of which Rs 3,000 was received in cash and received a note for the balance amount
6. Paid Rs 36,000 annual rent for the business premises via bank draft

[illegible]

PLEASE TURN OVER THE PAGE

Use the given information to answer Q.6. and Q.7.

Roshan Sons maintains a three column cash book. At the end of February 2018, the bank column of the cash book showed a debit balance of Rs 16,200.

Upon comparison with the bank statement, the accountant of Roshan Sons found that following items were missing in the cash book.

- The bank charged Rs 250 for the issuance of cheque book.
- A standing order of Rs 12,000 against the insurance premium was paid by the bank.
- A customer deposited Rs 6,500 directly into the bank.
- The bank received dividend of Rs 2,350 for Roshan Sons.

Q.6. (Total 4 Marks)

Prepare the cash book (bank column) for the given transactions.

Roshan Sons Cash Book (Bank Column)	
Balance b/d	16,200

Q.7. (Total 2 Marks)

Compute the updated balance that would appear in the cash book on March 01, 2018.

Use the given information to answer Q.8. and Q.9.

The trial balance prepared by an intern of accounts department was not balanced and the debit side of the trial balance was more than the credit side. Upon critical investigation, the intern found the following errors:

1. Sales book was undercast by Rs 2,000.
2. Goods sold to Mr Ramis for Rs 3,500 were posted in his account as Rs 5,300.
3. Discount of Rs 350 received from Mr Sajid, a supplier, was entered correctly in the cash book but no entry was made in Mr Sajid's account.
4. Machinery bought for Rs 15,000 was recorded in machinery repairs account.
5. Sales day book balance was carried forward as Rs 867 instead of Rs 786.

Q.8.

(Total 5 Marks)

Record the correct general journal entries against the given errors.

[illegible]

PLEASE TURN OVER THE PAGE

[illegible]

Q.9. (Total 5 Marks)

Prepare the suspense account of the corrected entries if the opening balance was Rs 3,369.

AKU
Model Pak
for Teaching & L

Q.10

(Total 10 Marks)

The following trial balance has been extracted from the books of Shafi Traders as on March 31, 2018.

Particulars	Debit	Credit
Purchases	914,000	
Sales		1,340,000
Marketing expenses	90,000	
Administrative expenses	140,000	
Interest expense	40,000	
Building	850,000	
Allowance (provision) for depreciation - Building		90,000
Machinery	450,000	
Allowance (provision) for depreciation - Machinery		130,000
Inventory on April 01, 2017	280,000	
Trade receivables (accounts receivable) – Advance from customer		410,000
Bank	106,000	
Trade payables (accounts payable)		180,000
Capital		720,000
Total	2,870,000	2,870,000

Data for adjustment

- i. Inventory on March 31, 2018 is valued at Rs 339,000.
- ii. A customer account was written off at the end of the year. The amount outstanding from him was Rs 4,000.
- iii. Prepaid interest amounted to Rs 6,000 at the end of the year.
- iv. Depreciation is charged as follows:
 - Building is depreciated at 10% under straight line method.
 - Machine is depreciated at 10% under diminishing balance method (reducing balance method).

Prepare an income statement in a classified form for Shafi Traders for the year ended March 31, 2018 on page 12.

PLEASE TURN OVER THE PAGE

AKU-EB
Model Paper 2023
for Teaching & Learning Only

Q.11.

(Total 5 Marks)

Naushad Limited provides the following details about the non-current assets (fixed assets) at the end of the accounting year June 30, 2017.

Particulars	Cost	Accumulated Depreciation	Details of Depreciation
Machine	Rs 400,000	Rs 85,000	25% diminishing balance method

On December 31, 2017, the directors decided to buy a new machine with latest technology for better quality and increased production. Due to this reason, the old machine was exchanged with a new machine costing Rs 1,200,000 and the trade in allowance was agreed to be 20% of the cost of the new machine.

- a. Calculate the amount of gain or loss on the disposal of the machine as on December 31, 2017.

(3 Marks)

- b. Prepare the general journal entry to record the disposal of the old machine.

(2 Marks)

S. No.	Particulars	P.R.	Debit	Credit

PLEASE TURN OVER THE PAGE

Q.12.

(Total 5 Marks)

Bashir Limited has a motor vehicle. The company uses the sum of the year digit method for calculating the depreciation of the vehicle. The motor vehicle was purchased on July 01, 2014 at a cost of Rs 150,000.

The expected life of the motor vehicle is 5 years and the book value of the motor vehicle on December 31, 2014 was Rs 125,000.

Compute the depreciation for the motor vehicle for the year ended December 31, 2015 and 2016.

AKU-EB
Model Paper 2023
for Teaching & Learning Only

END OF PAPER

Please use this page for rough work

AKU-EB
Model Paper 2023
for Teaching & Learning Only

Please use this page for rough work

AKU-EB
Model Paper 2023
for Teaching & Learning Only