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University of Sargodha

BS 3rd Term Examination 2019

Subject: Computer Science

Paper: Financial Accounting (MNG-2210)

Time Allowed: 2:30 Hours

Maximum Marks: 80

Note: Objective part is compulsory. Attempt any three questions from subjective part.

Objective Part (Compulsory)

- Q.1.** Write short answers of the following in 2-3 lines each on your answer sheet. (16*2)
- | | |
|--|--|
| i. What is a Accounting | ix. What are the un presented cheques |
| ii. What are fix assets | x. What is the purpose of profit and loss account |
| iii. What the assets | xi. What is the matching principle |
| iv. What double entry system of accounting | xii. What is basic accounting equation |
| v. What is depreciation | xiii. What is the purpose of Bank reconciliation statement |
| vi. What are drawings | xiv. What is contra entry |
| vii. What is the purpose of trial balance | xv. What is an account |
| viii. What is a cash book | xvi. What is the meaning of Debit |

Subjective Part (3*16)

- Q.2.** CLOWN AROUND, INC
Trial Balance
1-Feb-05

Cash	\$ 2850	\$
Accounts Receivable	900	
Accounts Payable		800
Capital Stock		2000
Retained Earnings		750
Dividends	0	
Party revenue		1350
Salaries expense	830	
Party food expense	240	
Travel Expense	80	
	4900	4900

Clown Around engaged in the following transactions in February:

- Feb.2 Paid \$ 750 in partial settlement of the outstanding account payable reported in the trail balance dated February 1.
Feb 6. Collected \$ 900 in full settlement of the outstanding accounts receivable reported in the trial balance dated February 1.
Feb 18. Billed sunflower Child Care \$175 for clown services. The entire amount is due March 15.
Feb 26. Billed and Collected \$ 480 for performing at several birthday parties.
Feb 28. Paid clown salaries of \$ 260 for work done in February
Feb 28 Declared and paid a \$ 100 dividend to Raoph Jaschob, the company's only shareholder.

Required:

- Record the company's February transactions in general journal form. Post each entry to the appropriate ledger account.
- Prepare a trial balance dated February 28.2005

- Q.3.** Rectify the following errors by passing necessary journal entries.

- a) A sale of Rs. 496 to Ashraf was entered in the Sales Book as Rs. 694. Ashraf Account was however debited with Rs. 964

- b) A bill received from Salman & Co for repairs done to furniture Rs. 200 and furniture purchased for Rs. 2000 was wrongly entered in the purchase Book.
- c) An item of Rs. 4000 relating to prepaid rent was omitted to be brought forward.
- d) Received a final dividend of Rs. 400 from answer whose account had previously been written off as bad debt, was credited to his newly opened Account.
- e) An item of purchase of Rs. 1510 was entered in the purchase book at Rs. 150 and posted to the supplier's Account as Rs. 510.
- f) A sales returns of Rs. 1000 were not passed through the sale return book, though goods were duly taken into the stock.

Q.4. Prepare a Bank Reconciliation Statement from the details given below as on 31st March 2005.

1. Bank balance of Account No.1 as per the Pass book Rs. 20000
2. Cheques deposited and credited by the bank but forgotten to be recorded in the Cash Book Rs. 34000
3. Un Presented cheques before 31.3.2005 Rs. 6000
4. Cheques Issued against Account No.1 but wrongly debited to Account No.2 by the Bank Rs. 4000
5. Bills proceeds collected by the bank but not recorded in the Cash book Rs. 4000
6. Insurance premium paid by the bank and debited in the Pass Book but not recorded in the Cash book Rs. 8000
7. Interest on investment collected and credited by the bank on 26th March but not recorded in the Cash Book till 31.3.2005 Rs. 3000
8. Debit side of the cash book (Bank Column) under casted by Rs. 2000
9. Cheques issued and paid by the bank but wrongly entered in the cash column of the Cash book Rs. 16000.

Q.5. A, B and C set up a partnership firm on 1.1.2005. They contributed Rs. 50000, Rs. 40000, and Rs. 30000 respectively as their capital and decided to share profit and loss in the ratio of 3:2:1. The partnership deed provided that A is to be paid a salary of Rs. 1000 per month and B a commission of Rs. 5000. It also provided that interest on capital be allowed at 6% per annum. The drawings for the year were A Rs. 6000, B Rs. 4000, and C Rs. 2000. Interest on drawings was charged Rs. 270 on A's drawings Rs. 180 on B's drawings and Rs. 90 on C's drawings. The net amount of profit as per profit and loss account for the year 2005 was Rs. 35660. You are required to prepare the profit and loss appropriation account and the partners capital accounts.

Q.6.

Cash		Vehicles	
Nov. 1	120,000	Nov. 8	33,600
		Nov. 25	12,000
		Nov. 30	1,400
		Nov. 30	9,400
Land		Notes Payable	
Nov. 8	70,000	Nov. 25	12,000
		Nov. 8	95,000
		Nov. 30	8,000
Building		Accounts Payable	
Nov. 8	58,600	Nov. 21	480
		Nov. 15	3,200
Office Equipment		Capital Stock	
Nov. 15	3,200	Nov. 1	120,000
		Nov. 21	480

From the above Ledger Accounts:

- a) Prepare Journal Entries, in proper format with narrations.
- b) Prepare a Trial Balance in proper format.