

AGA KHAN UNIVERSITY EXAMINATION BOARD
SECONDARY SCHOOL CERTIFICATE
CLASS IX
MODEL EXAMINATION PAPER 2023 AND ONWARDS

Principles of Accounting Paper II

Time: 2 hours 5 minutes Marks: 45

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

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2. There are TEN 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 simple calculator if you wish.
6. Wherever new terminologies are mentioned their old terminologies are mentioned in the brackets for your assistance.

Q.1. (Total 4 Marks)

Following is a list of business transactions:

1. Areeb started business with cash investment of Rs 150,000.
2. He bought merchandise from Haroon & Co. for Rs 55,000.
3. He purchased supplies on cash for Rs 15,000.
4. He made cash sales of Rs 45,000.
5. He sold goods to Alpha Traders for Rs 45,000.

Complete the given table by applying the rules of debit and credit on the given business transactions.

(Note: The first transaction has been done for your assistance.)

Transaction No.	Debit (Account Head, Amount)	Credit (Account Head, Amount)
1	Cash, Rs 150,000	Capital, Rs 150,000
2		
3		
4		
5		

Q.2. (Total 4 Marks)

Differentiate between bookkeeping and accounting.

S. No.	Bookkeeping	Accounting
1		
2		

Q.3.

(Total 5 Marks)

Review the given trial balance. It has a few errors in the nature of accounts.

S. No.	Account Title	Debit	Credit
1	Cash	10,000	
2	Sales revenue	75,000	
3	Purchases	65,000	
4	Sales return		2,500
5	Furniture	95,000	
6	Trade payables (accounts payable)	1,500	
7	Other income		5,000
8	Salaries expense	12,500	
9	Insurance expense		20,000
10	Drawing		1,500
11	Capital		130,000
12	Trade receivables (accounts receivable)	15,000	
13	Bank loan	10,000	
	Total	284,000	159,000

Rectify the errors and prepare the correct trial balance.

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Q.4.

(Total 5 Marks)

The following account balance has been extracted from the books of Nadeem Traders for the year ended December 31, 2017.

Account Title	Amount (Rs)
Cash	15,000
Trade receivables (accounts receivable)	25,000
Inventory January 01, 2017	13,000
Purchases	75,000
Sales revenue	176,000
Motor vehicle at cost	605,000
Trade payables (accounts payable)	92,000
Bank overdraft	5,000
Furniture	230,000
Capital	690,000

The inventory as on December 31, 2017 amounted to Rs 18,000.

Prepare the assets section of the statement of financial position (balance sheet) for Nadeem Traders as on December 31, 2017.

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Q.5.

(Total 4 Marks)

Match any FOUR types of books of prime entry with the type of transactions recorded in these books.

Books of Prime Entry	Transaction Type
Sales day book	Transactions related to trade payables (accounts payable)
Purchases day book	Transactions not recorded in any other books of prime entry
Sales returns day book	Transactions related to receipt and payment
General journal	Transactions related to petty expenses
Cash book	Transactions related to trade receivables (accounts receivable)
	Transactions related to goods returned by credit customers

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Commission Income			
	05.02.2018	Cash	16,000
	13.02.2018	Bank	68,000

		Rental Income		
28.02.2018	Bank-Dishonoured	23,000	26.02.2018 Bank	23,000

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Q.7.

(Total 4 Marks)

Following particulars have been taken from the records of a trader for the year ended December 31, 2015:

		Amount (Rs)
Trade receivables (accounts receivable)	Jan 01, 2015	17,500
Trade receivables (accounts receivable)	Dec 31, 2015	13,300
Trade payables (accounts payable)	Jan 01, 2015	18,700
Trade payables (accounts payable)	Dec 31, 2015	12,300
Receipts from customers		113,000
Receipts from cash sales		3,500
Payment to trade payables (accounts payable)		67,000
Purchase on cash		2,000
Discount received		1,000
Discount allowed		1,200
Bad debts written off		1,500
Amount transferred from sales ledger to purchase ledger		500

Calculate the total purchases for the year ended December 31, 2015.

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Q.8. (Total 4 Marks)

The following are the transactions of Amna Traders for the month of December 2017.

Credit sales for the month	Rs 150,000
Sales returns	Rs 10,000
Sales discount	Rs 7,000
Purchase returns	Rs 2,000

Record the transactions in the given sales ledger control account and calculate the closing balance.

Sales Ledger Control Account			
Particulars	Amounts (Rs)	Particulars	Amounts (Rs)

Q.9.

(Total 5 Marks)

On January 01, 2014, Al-Isaar Company purchased machinery at a list price for Rs 1,500,000 with estimated scrap value of Rs 100,000 and useful life of 10 years.

The company uses 20% diminishing balance method (reducing balance method) for recording depreciation and the accounting year of the company ends on June 30 each year.

Compute the given particulars for the year 2014, 2015 and 2016 by taking the annual depreciation into consideration.

Particulars	2014	2015	2016
Cost			
Depreciation			
Allowance (provision) for depreciation			
Book value			

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Q.10.

(Total 5 Marks)

Al-Furqan Traders follows a policy that all trade receivables (accounts receivable) older than 6 months will be considered as bad debts and should be written off. The rate of allowance (provision) for doubtful (bad) debts against trade receivables (accounts receivable) is 25%.

The following balances were extracted from the statement of financial position (balance sheet) on January 01, 2016.

Trade receivables (accounts receivable)	Rs 150,000
Allowance (provision) for doubtful (bad) debts	Rs 37,500

Considering the given information, prepare the general entries for each of the following scenarios.

(Note: Each scenario should be treated independently.)

Scenario 1

(2 Marks)

On February 01, 2016, Al-Furqan Traders sold goods worth Rs 60,000 to Shams Limited on account. On March 15, 2016, Al-Furqan Traders received Rs 55,000 from Shams Limited.

There were no further receipts from Shams Limited in the year.

Date	Particulars	P.R.	Debit	Credit

Scenario 2

(1 Mark)

On December 01, 2016, Al-Furqan Traders received a cheque from a customer amounted to Rs 7,000.

Date	Particulars	P.R.	Debit	Credit

Scenario 3

(2 Marks)

Balance of trade receivables (accounts receivable) account on December 31, 2016 was Rs 215,000.

Date	Particulars	P.R.	Debit	Credit

END OF PAPER

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