

ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD
(Department of Commerce)

BOOK KEEPING & ACCOUNTANCY (311)

CHECK LIST

Semester: Spring, 2014

This packet comprises following materials:

1. Text books (one)
2. Assignment No. 1, 2, 3 & 4.
3. Assignment Forms (Four sets)
4. Schedule for Submitting the Assignments and Tutorial Meetings.

If you find anything missing, in this packet, please contact at the address given below:

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ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD

(Department of Commerce)

Course: Book-Keeping and Accountancy (311)

Semester: Spring 2014

Level: F.A/I.Com

Total Marks: 100

Units: 1-18

WARNING

1. PLAGIARISM OR HIRING OF GHOST WRITER(S) FOR SOLVING THE ASSIGNMENT/S WILL DEBAR THE STUDENT FROM AWARD OF DEGREE/CERTIFICATE, IF FOUND AT ANY STAGE.
2. SUBMITTING ASSIGNMENTS BORROWED OR STOLEN FROM OTHER(S) AS ONE'S OWN, WILL BE PENALIZED AS DEFINED IN "AIOU PLAGIARISM POLICY".

Assignment No. 1

(Units 1-5)

- Q No. 1 What do you understand by double entry system of Book keeping? Explain the rules, merits and demerits of Double Entry System. (20)
- Q No. 2 Explain different stages of accounting cycle. Differentiate also between Accounting and Book-Keeping. (20)
- Q No. 3 Define Book-Keeping. Write any fifteen (15) commercial terms used in book-keeping and accountancy. (20)
- Q No. 4 Explain the importance of final accounts. Enlist the accounts prepared in final accounts. (20)
- Q No. 5 The following balances are extracted from the books of ABC & Co. on 30th June 2012; you are required to prepare trading and profit & loss account and balance sheet as on that date. (20)

Details	Rs.
Stock on July 1 st	500
Bills receivable	2,250
Purchases	19,500
Wages	1,400
Insurance	550
Sundry debtors	15,000
Carriage inward	400

Commission (Dr)	400
Interest on capital	350
Stationary	225
Return inward	650
Commission (Cr)	200
Returns outward	250
Trade expenses	100
Office fixtures	500
Cash in hand	250
Cash at bank	2,375
Rent and taxes	550
Carriage outward	725
Sales	25,000
Bills payable	1,500
Creditors	9,825
Capital	8,950
The closing stock was valued at	Rs 12,500

Assignment No. 2

(Units 6-9)

Q No. 1 From the following Trial Balance of ABC & Co. prepare Trading and Profit & Loss Account and a Balance Sheet for the year ending 31.12.2011:

	Debit (Rs.)	Credit (Rs.)
Capital		35,000
Building	18,750	
Machinery	9,250	
Debtors	7,000	
General Expenses	800	
Rent	3,710	
Drawings	650	
Electric charges	190	
Carriage inwards	850	
Cash at Bank	3,000	
Returns outwards		110
Salaries	1,110	
Discount allowed	200	
Stock (1.1.2002)	16,500	
Bills Payable		5,000
Sales		63,500
Purchases	46,850	
Wages	2,500	
Cash in hand	1,800	
Creditors		10,000
Returns inwards	450	
	113,610	113,610

Additional information:

- (i) Closing stock is valued Rs. 18,210.
- (ii) Charge depreciation at 10% on machinery.
- (iii) Rent prepaid Rs. 150.

Q No. 2 Mr. Jamil Javed prepares a Bank Reconciliation Statement for his business at the end of each month. Prepare a bank reconciliation statement from the following information as on 31-12-2011.

- i) Cheques totalling Rs. 36,950 were sent to the bank in the month of December but out of them one Cheque for Rs. 4,500 was credited in the Pass Book.
- ii) On 26 December Cheques were issued in favour of creditors for Rs. 9,500 but one of two Cheques for Rs. 7,000 was encashed on 3rd January 2012.
- iii) One customer had deposited directly into the bank Rs. 1,250 but it was not mentioned in the Cash Book.
- iv) The trader had withdrawn from the bank Rs. 3,500 but the same had not been entered in the Cash Book.
- v) On 29 December a cheque for Rs. 3,000 was received and entered in the Cash Book, but had been omitted to be sent to the bank.
- vi) Bank Balance as Per Cash Book Rs. 20,000. (20)

Q No. 3 (a) Explain various kinds of accounting errors. (10)
(b) Describe various checks to differentiate between capital expenditures and revenue expenditures. (10)

Q No. 4 (a) Hamid sells goods for Rs. 2,000 to Tariq on 1st July 2010. Hamid draws a bill on Tariq for the amount for the period of three months which is duly accepted by Tariq. Hamid discounts the bill on 10th October 2010 with his bank @ 6% per annum. Record the transactions in the books of Hamid and Tariq. (15)
(b) Define a bill of exchange. (5)

Q No. 5 Discuss essential features of bill of exchange. Differentiate between the bill of exchange and cheque. (20)

Assignment No. 3

(Units 10-14)

Q No. 1 (a) What is an Account Sale? Briefly explain the purpose of account sale. (10)
(b) X Ltd. of Kuala Lumpur consigned 100 cases of goods to Mr. Y in Penang. The Consignment Account appeared in the ledger of X Ltd. is given below: (10)

Consignment Account

	Cases	Rs.		Cases	Rs.
Goods on consignment	100	7,000	Goods on consignment		
Bank – carriage		400	-- return	5	350
Bank – insurance		200	Consignee – sales	60	10,000
Bill receivable			Stock c/d	?	?
-- discounting charges		25			
Consignee:					
--warehouse charge		190			
--selling expenses		120			
-- commission		500			
Consignee:					
-- bad debts		65			

- (i) Calculate the value of unsold/closing stock.
- (ii) Calculate the profit/loss on consignment.

- Q No. 2 (a) Define partnership. Explain the merits and demerits of partnership form of business. (10)
- (b) Enlist important contents of a partnership deed. Describe the rules applicable in the absence of partnership deed. (10)
- Q No. 3 (a) Why a new partner is entered into a partnership business? Describe the rights and duties of new partner. (10)
- (b) Define goodwill. Discuss various methods for valuation of goodwill. (10)
- Q No. 4 Describe the various stages through which a joint stock company comes into existence. Also enlist the documents to be submitted with the Registrar at the time of incorporation. (20)
- Q No. 5 (a) On 1st March 1980, New Steel Works Company issue 1000 ordinary shares of Rs. 100 each at premium of Rs. 20, payable Rs. 25 on application, Rs. 50 on allotment and Rs. 45 as and when required. Prepare journal entries. (5)
- (b) ABC Company was registered with the capital of Rs. 1500,000 in the shares of Rs. 10 each. It offered to the public 100,000 shares payable Rupee 1 per share on application, Rs. 2 on allotment and Rs. 3 per shares as First Call. The balance of Rs. 4 per share was to be called only in case of necessity. Applications were received for 90,000 shares which were allotted accordingly. All the money received with the exception of allotment money on 200 shares and First Call on 500 shares. Prepare journal entries. (15)

Assignment No. 4

(Units 15-18)

- Q No. 1 Define Non-Trading Organizations. Explain any two methods for the calculation of profit or loss of the firms that maintain incomplete records/using single entry system. (20)
- Q No. 2 What is hire purchase accounting? Describe the entries made in the books of hire-vendor and hire-purchaser. Explain with the help of imaginary figures. (20)
- Q No. 3 (a) Define depreciation. Enlist the methods of depreciation. (5)
(b) Malik and Co. purchased machinery on January 1, 1975 for Rs. 10,60,000. The expected working life of machinery was 10 years with a scrap value of Rs. 60,000 in the end. You are required to prepare machinery account for ten years. (15)
- Q No. 4 Why are the reserves maintained? Write critical notes on the various kinds of reserves. (20)
- Q No. 5 Explain the importance of financial statements prepared by the business organizations. How do monthly statements differ from annual statements by the nature of purpose? (20)