

GOVERNMENT COLLEGE UNIVERSITY, FAISALABAD**B.Com.****Part 2nd****Annual 2016**Course Code: **BCO-B11**Course Title: **Advanced Financial Accounting**

Time Allowed: 03:00 Hours

Maximum Marks: 100

Pass Marks: 40%

Note: Attempt any five questions. All questions carry equal marks**Q 1.** The following is the balance sheet of Nadir Ltd. as on December 31, 2014.

	Rs.		Rs.
Authorized capital:			
Equity Shares of Rs.10 each	1,00,00,000	Sundry assets	32,75,000
Issued, subscribed and paid up capital:			
250,000 shares of Rs.10 each	25,00,000		
Share premium	1,25,000		
General reserve	4,00,000		
Profit & loss account	2,50,000		
	<u>32,75,000</u>		<u>32,75,000</u>

The board of directors decided to issue bonus shares at the rate of one bonus share for every four shares held at present. For this purpose the amount available in share premium and profit & loss account will be utilized completely and the balance will be provided from general reserves.

The directors further decided to issue right shares at the rate of five shares for every twenty five (25) shares held. The share will be issued at par. The right shares were offered and fully subscribed. **Required:** Give general entries to give effect to the above resolution and prepare an amended balance sheet?

Q 2. Chand Company has outstanding 6% debentures of Rs.6,00,000 on 1st January, 2010. The company paid interest on 30th June and 31st December. It purchases debentures of Rs.60,000 for cancellation on 1st May, 2010 at Rs.101 cum interest. It purchases for redemption debenture of Rs.120,000 on 1st September 2010 @ Rs.98 ex-interest. On 31st December 2010, Company further purchases debentures of Rs.20,000 at a cost of Rs.19,000.

Required: Pass the general entries in the book of the company for 2010. Also show computations?

Q 3. X transport Ltd. purchased from Lahore Motors 3 trucks costing Rs.50,000 each on the hire purchase system. Payment was to be made Rs.30,000 down and the remainder in 3 equal installments together with interest at 9%. X transport Ltd writes off depreciation @ 20% on the diminishing balance method. It paid the installment due at the end of the first year but could not pay the next. Lahore Motors agreed to leave one truck with the purchaser, adjusting the value of the other two trucks against the amount due. The trucks were valued on the basis of 30 % depreciation annually.

Required: Show the necessary accounts in the books of X. Transport for 2 years?

Q 4. The Naeem Stores Ltd., Multan has a branch at Hyderabad. Goods are invoiced to the branch at a selling price, being cost plus 20%. The branch keeps its own sale ledger and deposits all cash received daily to the credit of the Head Office Account opened at the MCB, Hyderabad. All expenses are paid by cheques from Multan.

From the following information, prepare Branch Account in the Head Office Books and make the necessary adjustments therein to arrive at the actual branch profit or loss during the year 2007.

	Rs.
Stock on 1-1-07	30,000
Stock on 31-12-07	36,000
Sundry Debtors on 1-1-07	16,800
Sundry Debtors on 31-12-07	21,600
Goods Invoiced from H. O	218,400
Rent, Rates and Taxes	9,600
Sundry Expenses	1,920
Cash Sales for the year	129,600
Credit sales	84,000
Cash Received from Debtor	79,200
Wages Paid	8,960

Q 5. The following particulars relates to the contract undertaken by Zahid Developers Engineers:

Material sent to the site Rs.85,349; Labour engaged on the site Rs.74,375; Plant installed at cost Rs.15,000; Direct expenditure Rs.3,167; establishment charges Rs.4,126; Material returned to stores Rs.549; Work certified Rs.195,000; Cost of work not certified Rs.4,500; Material in hand at the end of year Rs.1,883; Wages accrued at the end of year Rs.2,400; Direct expenses accrued at the end of year Rs.240; Value of plant at the end of year Rs.11,000. The contract price has been agreed at Rs.250,000; cash received from Contractee was Rs.180,000.

Required: You are required to prepare Contract Account, Contractee's Account and also show calculation of work-in-progress?

Q 6. You are provide with the following figures/ratios worked out from the Profit and Loss Account for the year ended 31st December, 2001 and a balance sheet as at that date of Practical Industrial Limited:

	Rs.
Cost of goods sold	630,000
Stock of finished goods turnover	6
Gross profit on sales	25%
Net Profit to sales	8%
Debtors Collection period (assuming 360-day year)	45 days
Current Ratio	2.4
Quick Ratio	1.0
Stock of Raw Materials	3.0 Months
(in terms of number of months consumption)	
Material consumed to sales	30%

REQUIRED: Calculate the value of the following

- | | | |
|-------------------------|-----------------------------|-------------|
| (a) Current Liabilities | (b) Quick Assets | (c) Debtors |
| (d) Current Assets | (e) Stock of Finished Goods | |

Q 7. The following is the Balance Sheet XYZ Co. Ltd. on 31st December 2011:

Liabilities	Rs.	Assets	Rs.
Share Capital		Land and buildings	100,000
20,000 shares of Rs.10 each	200,000	Plant and machinery	150,000
Debentures	100,000	work-in-progress	30,000
Sundry creditors	30,000	Stock	60,000
Reserve fund	25,000	Furniture and fitting	2,500
Dividend equalization fund	20,000	Sundry debtors	25,000
P & L Appropriation A/c	5,100	Cash at Bank	12,500
		Cash in hand	100
	<u>380,100</u>		<u>380,100</u>

The company is absorbed by ABC Co. Ltd. on the above date. The consideration for the absorption is the discharge of the debentures at a premium of 5%, taking over of the liability in respect of the Sundry Creditors and a payment of Rs.7 in cash and one share of Rs. 5 in ABC Co. Ltd. at the market value of Rs.8 per share in the exchange of one share on XYZ & Co. Ltd. The cost of liquidation of Rs.500 is to be made by the purchasing company.

REQUIRED: Pass necessary journal entries to close the books of accounts of XYZ company and prepare relevant ledger accounts?

Q 8. Abu Bakr Limited had the following balances in their Trial Balance as at 31st December 2009:

Particulars	Debit Rs.	Particulars	Credit Rs.
Land & Building	310,000	Share Capital-fully paid up	400,000
Plant & Machinery	310,000	Share Premium	40,000
Preliminary Expenses.....	15,000	General Reserve	100,000
Stock 1 st Jan. 2009	65,000	Profit & Loss A/c	25,000
Purchases	330,000	Bank Loan at 12% taken on 1 st July 2009	200,000
Salaries	50,000	Sundry Creditors	35,000
General Expenses	15,000	Sales	600,000
Director Fees	3,000		
Auditors Fees	2,000		
Wages	60,000		
Carriage	5,000		
Manufacturing Expenses	20,000		
Advertising	20,000		
Sundry Debtors	60,000		
Goodwill	90,000		
Bank Balance	45,000		
Total	14,00,000		14,00,000

ADJUSTMENTS

- (1) Stock on 31st December 2009 was Rs.65,000
- (2) The Managing Director is entitled to a commission of 5% on Net Profit after charging his commission.
- (3) General Expenses include prepaid insurance totaling Rs.300.
- (4) A provision for income tax is required to be maintained at Rs.15,000.
- (5) The directors recommended a dividend at 5%.
- (6) Depreciation should be charged at the rate of 10% on Plant & Machinery and 2% on Land & Building.

REQUIRED: Prepare Trading and Profit & Loss Account for the year ended 31st December 2009 and Balance sheet as at that date?

GOVERNMENT COLLEGE UNIVERSITY, FAISALABAD

B.Com.

Part 2nd

Annual 2016

Course Code: **BCO-B12**

Course Title: **Auditing**

Time Allowed: 03:00 Hours

Maximum Marks: 100

Pass Marks: 40%

Note: Attempt any five questions. All questions carry equal marks

- Q.1 Define Auditing. Explain its objects.
- Q.2 Define interim audit. Describe its merits and demerits.
- Q.3. Define internal control. Explain the principles of internal control.
- Q.4. Briefly explain the necessary steps to be taken by auditor in vouching of:
- (a) Investment (b) Capital expenditure
- Q.5. What do you mean by verification? How would you verify the followings?
- (a) Capital (b) Debentures
- Q.6. Describe the procedure of appointment of auditors of a Company.
- Q.7. What is a Qualified audit report? Give a draft of Qualified report.
- Q.8. State and explain the special points to which your attention should be directed in examining the accounting records of a Cement Industry.

GOVERNMENT COLLEGE UNIVERSITY, FAISALABAD

B.Com.

Part 2nd

Annual 2016

Course Code: **BCO-B13** Course Title: **Business Communication & Report Writing**

Time Allowed: 03:00 Hrs.

Maximum Marks: 100

Pass Marks: 40%

Note: Attempt all questions. All questions carry equal marks.

Q. 1) Discuss the guidelines for good listening and barriers to good listening as well.

or

Define Market Report and state the advantages or function of a market report?

Q. 2) Write Short Notes on the following:

i. Nonverbal Communication

ii. Feedback

iii. Formal and Informal Communication

iv. Noise and Barriers

v. Methods of delivering oral presentation

or

Discuss in detail the parts and composition of Official letters.

Q. 3) Define informative speaking. Describe its kinds and organizations.

or

Define oral presentations. Write down essential steps for preparing good oral presentation.

Q. 4) Draft a sales letter to be sent to your dealers for promoting the sale of a newly designed car that your company has placed in the market.

or

Explain merits of written and oral communication.

Q. 5) The direct approach works best for routine communication when the information is favourable or neutral. Illustrate it.

or

A bad news message varies from a good news message in structure, tone and information. Explain it.

GOVERNMENT COLLEGE UNIVERSITY, FAISALABAD

B.Com.

Part 2nd

Annual 2016

Course Code: **BCO-B14**

Course Title: **Business Law**

Time Allowed: 03:00 Hours

Maximum Marks: 100

Pass Marks: 40%

Note: Attempt any five questions. All questions carry equal marks.

- 1) Define acceptance. Explain its features and discuss its communication.
- 2) What is difference between cheque and promissory note?
- 3) Define consideration and also explain features, types and exceptions.
- 4) What is private carrier? Discuss its important features
- 5) What are the rules regarding health, safety and security of workers under Industrial Act?
- 6) What is difference between contract of indemnity and contract of guarantee?
- 7) Define and explain the various implied condition and warranties in a contract of sale.
- 8) Write short note on the following
 - i. Void agreement
 - ii. Contract of indemnity
 - iii. Mistake
 - iv. Caveat emptor

GOVERNMENT COLLEGE UNIVERSITY, FAISALABAD**B.Com.****Part 2nd**

Annual 2016

Course Code: **BCO-B15**Course Title: **Business Taxation**

Time Allowed: 03:00 Hours

Maximum Marks: 100

Pass Marks: 40%

Note: Attempt total five Questions, while question No.08 is compulsory and attempt four among remaining.

Q. 1. Explain following terms with reference to Income Tax Ordinance 2001.

- a) Royalty b) Appellate Tribunal c) Industrial Undertaking
d) Non-Profit Organization e) Turnover

Q. 2. Explain exemption in following case with reference to Income Tax Ordinance 2001

- a) Profit on Debt to Attract Foreign Funding b) Foreign Source Income of Returning
Expatriates. c) Amount of Gratuity d) Perquisites Received by Employee
e) Income of Venture Capital Company

Q. 3. Define Agriculture Income. What are the types of Agricultural Income? Give examples of agricultural, Non-Agricultural Income and Partial Agriculture and partial Non-agriculture Income.

Q. 4. What are the powers and functions of Chief Commissioner Inland Revenue and Commissioner Inland Revenue under the Law?

Q. 5. Discuss the procedure of making appeal to Commissioner Inland Revenue (Appeals) and to the appellate Tribunal.

Q. 6. Explain following terms with reference to Sales Tax Act 1990.

- a) Value of Supply b) Produce c) Output Tax d) Zero Rated Supplies

Q. 7. Calculate sales tax liability of a Company for the month of January 2015 under Sales Tax Act, 1990:

1. Taxable supplies to registered person Rs. 1,000,000.
2. Taxable supplies to non – registered person Rs. 200,000
3. Zero rated supplies include Rs. 300,000.
4. Duty and Tax Remission Exports Rs. 200,000
5. Exempted supplies Rs. 340,000
6. Import value determined for custom duty Rs. 200,000
7. Federal excise duty Rs. 30,000
8. Custom duty Rs. 20,000
9. Purchased from registered person Rs. 500,000
10. Purchase of raw material Rs. 200,000
11. Amount of electricity bill paid Rs. 40,000
12. Purchase against commercial invoice Rs. 34500

(P-T-O)

Q. 8. Determine the taxable income, tax payable of Mr. ABC. for the tax year ended 30th June 2014 on the basis of following information

Basic Salary	Rs.12,00,000	Profit on sale of Modadriba certificate (holding period within 12 months)	70,000
Bonus	1,50,000	Sale of personal car at profit	2,50,000
Fixed education allowance for children	80,000	Professional book purchased	20,000
Incentive award	1,35,000	Insurance Money received on maturity of policy	1,00,000
Pay in lieu of leave	44,000	Contribution to approved fund during the year	1,00,000
Entertainment Allowance	12,000	Legal expenses incurred during the year	15,000
Donation to bait-ul-Mal	1,20,000		

Rate of Income Tax

Taxable Income	Rate of tax	Taxable Income	Rate of tax
Where tax able income does not exceeds Rs.400,000	0%	Where taxable income exceeds Rs.18,00,000 but does not exceeds Rs.25,00,000	1,40,000+17.5% of the amount exceeding Rs.18,00,000
Where taxable income exceeds Rs.4,00,000 but does not exceeds Rs.7,50,000	5% of the amount exceeding Rs.4,00,000	Where taxable income exceeds Rs.25,00,000 but does not exceeds Rs.30,00,000	262500+20% of the amount exceeding Rs.25,00,000
Where taxable income exceeds Rs.7,50,000 but does not exceeds Rs.14,00,000	17500+10% of the amount exceeding Rs.7,50,000	Where taxable income exceeds Rs.30,00,000 but does not exceeds Rs.35,00,000	362000+22.5% of the amount exceeding Rs.30,00,000
Where taxable income exceeds Rs.14,00,000 but does not exceeds Rs.15,00,000	82500+ 12.5% of the amount exceeding 14,00,000	Where taxable income exceeds Rs.35,00,000 but does not exceeds Rs.40,00,000	475000+25% of the amount exceeding Rs.35,00,000
Where taxable income exceeds Rs.15,00,000 but does not exceeds Rs.18,00,000	95000+15% of the amount exceeding Rs.15,00,000	Where taxable income exceeds Rs.40,00,000 but does not exceeds Rs.70,00,000	600,000+27.5% of the amount exceeding Rs.40,00,000
		Where taxable income exceeds Rs.70,00,000	14,25,000+30% of the amount exceeding Rs.70,00,000

GOVERNMENT COLLEGE UNIVERSITY, FAISALABAD**B.Com.****Part 2nd****Annual 2016**Course Code: **BCO-B16**Course Title: **Cost Accounting**

Time Allowed: 03:00 Hours

Maximum Marks: 100

Pass Marks: 40%

Note: Attempt any five questions. All questions carry equal marks.

Q.1. Care Pharmacy obtains patents of medicine on the condition that a royalty equal 23% of the sales price shall be paid to inventor of the medicine. It is expected that during the year 40,000 bottles of the medicine will be sold. Estimated cost for the above mentioned sales volume is as under:

Estimated Cost	Total	Per Bottle
Materials	Rs.1,770,000	Rs.35.40
Labor	300,000	6.00
Factory overhead	150,000	3.00
Marketing expensed (other than royalty)	750,000	15.00
Administrative expenses	250,000	5.00
	<u>Rs.3,220,000</u>	<u>Rs.64.40</u>

Company wants to earn 31% net profit on every unit sold.

Required: (a) Compute the sales price per unit.

(b) Compute total royalty payable for sale of 40,000 bottles.

(c) Prepare estimated income statement for the above mentioned medicine.

Q.2. Jhelum Industry Limited purchases an item of raw materials in lots of 9,600 units which is a six months supply. The cost per unit is Rs.40.00, ordering cost is Rs.75 per order and carrying cost is 20%.

Required: How much can the company save per year by buying in the most economical lots?

Q.3. University Fabricators is producing lot No. 657, which called for 2500 dresses style No. 34 incurred costs as follows:

Material Cost	Rs. 2.00 per dress
Direct Labour Cost	Rs. 1.20 per dress
Factory Overhead Cost	Rs. 1.60 per dress

When the lot was completed, inspection rejected 200 spoiled dresses which were sold for Rs. 3.00 each.

Required: (a) Journal Entries, if the loss is to be charged to Lot No. 657.

(b) Journal Entries, if the loss is to be charged to all production.

Q.4 From the following data, prepare a statement showing the cost per day of eight hours of engaging a particular type of labour:

(a) Monthly basic salary plus D. A.	Rs. 400
(b) Leave salary	5% of (a)
(c) Employer's contribution to P.F.	8% of (a) and (b)
(d) Employer's contribution to Group Insurance	2.5% of (a) and (b)
(e) Pro-rate expenditure on amenities to labour	Rs.35 per head p.m.
(f) Working days in a month	25 days

Q.5. Factory overhead variance analysis for the year ended December 31, 2013 showed the following:

Budgeted factory overhead for capacity attained	Rs. 83,500
Volume variance (Cr.)	Rs. 4,200
Budget variance (Dr.)	Rs. 1,800

You are required to calculate:

(a) Actual factory overhead for the year.

(b) Applied factory overhead for the year.

P-T-O

Q.6. Mixing department of Dulux Company during April received 8,800 units from the preceding department at a cost of Rs. 70,400 to which materials are added resulting in 30% increase in number of units. Cost incurred by mixing department during April are: materials Rs. 52,500, labour Rs.17,500 and factory overhead Rs.10,000. On account of normal spoilage 440 units are lost. 9,500 units are transferred to the next department and remaining units are 1/3 complete.

Required: Prepare a cost of production report for the month of April.

Q.7. Z Industries Limited has two production departments A and B and two mutually interdependent service departments X and Y. Cost of service departments are apportioned on the basis of following percentages :

	A	B	X	Y
Service dept. X	50%	30%	—	20%
Service dept. Y	40%	50%	10%	—

Following figures of departmental costs are available after the primary distribution.

Department A	Rs. 15,750	Department B	Rs. 7,500
Department X	Rs. 11,750	Department Y	Rs. 5,000

Required: Calculate total factory overhead of production departments by preparing a work sheet showing the secondary distribution using :

- (i) Repeated distribution method.
- (ii) Simultaneous Equation.

Q.8. Bring out clearly the significance of each of following cost classifications and explain the meaning of the terms used therein:

- a. Direct and indirect.
- b. Variable and Fixed.
- c. Controllable and Uncontrollable.

GOVERNMENT COLLEGE UNIVERSITY, FAISALABAD

B.Com

Part 2nd

Annual 2016

Course Code: **BCO-B17**

Course Title: **Economics of Pakistan**

Time Allowed: 03:00 Hours

Maximum Marks: 100

Pass Marks: 40%

Note: Attempt any five questions. All questions carry equal marks

Q.No.1- what are the causes of low per capita income in Pakistan.

Q.No.2- Discuss the role of Education in Economic Development.

Q.No.3- what are the causes of the food problem in Pakistan? Suggest solutions for this problem

Q.No.4- Define land tenure system? What are the defects of land tenure system in Pakistan?

Q.No.5- Explain the impacts of globalization on Pakistan.

Q.No.6- Discuss the importance of transport and communications in a country?

Q.No.7- Describe the disadvantage of foreign aid for less developed countries?

Q.No.8- Write short note on any two of the following.

- a) Causes of Population explosion in Pakistan.
- b) Human resource development
- c) Unemployment
- d) Cooperative farming in Pakistan.

GOVERNMENT COLLEGE UNIVERSITY, FAISALABAD**B.Com.****Part 2nd**

Annual 2016

Course Code: **BCO-B18**Course Title: **Pakistan Studies**

Time Allowed: 01:30 Hours

Maximum Marks: **40**

Pass Marks: 40%

Note: Attempt any two questions. All questions carry equal marks.**Q.No.1**

Explain the Ideology of Pakistan in the light of sayings of Allama-Iqbal.

علامہ اقبال کے ارشادات کی روشنی میں نظریہ پاکستان کی وضاحت کیجئے۔

Q.No.2

Discuss the Educational and Political Services of sir Syed Ahmad Khan

سیر سید احمد خان کی تعلیمی و سیاسی خدمات بیان کیجئے۔

Q.No. 3

Why was the Khilfat Movement started? Analyze its achievements?

تحریک خلافت کا آغاز کیونکر ہوا؟ اس کی افادیت کا جائزہ لیجئے۔

Q.No. 4

What are the hurdles in the way of industrial development in Pakistan?

Suggest the measures of enhancing it.

پاکستان میں صنعتی ترقی میں حائل رکاوٹیں کیا ہیں؟ اس کو بہتر بنانے کے اقدامات تجویز کیجئے۔