

EXAMS WRAPPER

Objective of exam wrapper is twofold

1. To guide you for time management
2. To give you a taste of upcoming exam questions

This wrapper will help you determine focus areas and improve weak understandings by going back to the readings provided, attending upcoming Skype Session, group discussions, and consulting books along with managing time appropriately to secure good grades.

An answer sheet is provided at the end of this document to help you find accuracy level of your answers.

Please fill following before you start attempting wrapper questions.

How much time did you spend on these activities?	Time spent/week	Ideally required time
Watching Video lectures		3 hrs.
Attending Skype Sessions		1 hr.
Going through Readings provided in the modules		1 hr.
Revising Readings provided in the modules		15 min
Reviewing your own notes		15 min
Solving self-assessments		10 min
Total		5 hrs. 40 min

ANNEXURE : QUESTION WRAPPER

Question # 01:

Mr. A started his business on Jan 1, 2011 with capital of Rs.700,000. He is maintaining his accounts under single entry book-keeping system. His financial position on December 31, 2011 was as follows.

Liabilities	Rs.	Assets	Rs.
Bills Payable	30,000	Cash in Hand	31,000
Sundry creditors	70,000	Cash at Bank	17,500
Creditors outstanding	32,500	Stock	130,000
		Bills Receivable	41,000
		Sundry Debtors	80,500
		Furniture	155,000
		Plant & Machinery	220,000

Required:

Determine the amount of profit/ loss after preparing Statement of affairs of Mr. A for the period ended December 31, 2011.

Question # 02:

ABC Cricket Club received Rs.55,600 as membership subscription during the year 2011 which includes Rs.18,600 received in advance for 2012 and Rs.17,400 received in arrears for the year 2010. It is also found that Rs.16,700 has not been received as subscription for the current year (2011) and Rs.17,100 was received in advance in 2010 as subscription for 2011.

Required: Compute the income from subscription for the year 2011 that is to be transferred to income & expenditure account.

Question # 03:

Prepare branch account of Karachi Branch in the books of its head office (H.O) to calculate profit or loss for the year 2013 from the following data:

	Rs.
Misc. Branch Assets as on December 31 st 2012	80,000
Misc. Branch Assets as on December 31 st 2013	75,000
Misc. Branch Liabilities as on December 31 st 2012	51,000
Misc. Branch Liabilities as on December 31 st 2013	54,000
Fresh capital injected by H.O i.e. goods sent to branch for branch expenses	293,000
Withdrawals by H.O in the form of cash received from the branch	202,000

Answer Sheet

Question # 01:

Solution:

Marking scheme (4+1)

Statement of affairs of Mr. A

As on December 31, 2011

Liabilities	Rs.	Assets	Rs.
Sundry creditors	70,000	Cash in Hand	31,000
Bills Payable	30,000	Cash at Bank	17,500
Outstanding creditors	32,500	Furniture	155,000
		Plant & Machinery	220,000
		Sundry Debtors	80,500
		Stock	130,000
Closing capital (Balancing figure)	542,500	Bills Receivable	41,000
	675,000		675,000

Statement of profit or loss

For the year ended December 31, 2011

Closing capital	542,500
Less: Opening capital	700,000
Loss for the year	<u>157,500</u>

Question # 02:

Marking scheme (2+2+1)

Solution:

Subscription in cash during the year	55,600
Add: Subscriptions received in 2010 for 2011	17,100
Add: Subscriptions received in 2011 not yet received	16,700
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	89,400
Less: Subscriptions received in arrears for 2010	17,400
Subscriptions received in advanced for 2012	18,600
	<u>(36,000)</u>
Income from subscriptions to be transferred to Income and Expenditure Account	<u>53,400</u>

Question # 03:

Solution:

2 marks for debit side and 3 marks for credit side

Branch A/C			
Particulars	Rs.	Particulars	Rs.
Misc. Branch Assets –31/12/2012	80,000	Misc. Branch Liabilities – 31/12/2012	51,000
Fresh capital injected by H.O	293,000	Withdrawals by H.O	202,000
Misc. Branch Liabilities – 31/12/2013	54,000	Misc. Branch Assets – 31/12/2013	75,000
		Profit & Loss A/C	99,000
	427,000		427,000