ALLAMA IQBAL OPEN UNIVERSITY

Level:	Bachelor	**Semester:**	**Autumn 2009**
Paper:	**Advanced Accounting (444)**	**Maximum Marks:**	100
Time Allowed:	**03 Hours**	**Pass Marks:**	40

Note: ATTEMPT ANY FIVE QUESTIONS. ALL CARRY EQUAL MARKS.
QUESTION NO (8) IS COMPULSORY.

Q.No.	Questions	Marks
Q.No.1	Discuss the characteristics of a company. Also discuss the contents in detail of the prospectus of a Joint-Stock Company.	**20**
Q.No.2	**Distinguish between the following:** **(a)** Lump sum payment plan & instalment plan. **(b)** at premium & at par. **(c)** Registered capital & Registered debentures **(d)** Issue of shares in consideration of services & assets.	**20**
Q.No.3	What documents are filed with the office of "Security & Exchange Commission of Pakistan" for obtaining business certificate of a Joint-Stock Company?	**20**
Q.No.4	Elahi of Rawalpindi sends consignment to Arbab of Peshawar on 1st March, 2008, 75 cases of Goods invoiced of Rs.400 each for sales. Which was 25% above their cost. Arbab accepted a bill for Rs.10,000 as advance for 2 months against consignment. The agent is entitled for commission of 8% on sales. Elahi pays freight Rs.300, insurance Rs.225 and packing Rs.150. Arbab sends an account sales on 10th June, 2008 showing that 50 cases realized Rs.18, 000. and following expenses were incurred: octorai duty Rs.300. storage & insurance Rs.350. delivery charges Rs.200. Arbab enclosed a bill at three months for the amount due. **Required: Give journal entries and necessary A/cs in both parties.**	**20**

Q.No.5 The Lahore Trading Corporation Ltd. Acquired the running business of M/S. Nadim & Sons, whose Balance Sheet stood as follows:- **20**

Liabilities	Rs.	Assets	Rs.
Bank Loan	6,500	Cash at bank	7,500
Notes Payable	6,400	Sundry Debtors	7,500
Capital	1,32,100	Machinery	80,000
		Stock	25,000
		Building	25,000
	1,45,000.		**1,45,000.**

The purchase price was Rs.1, 44,100. The corporation takes machinery at book value less 10% and stock and building at 20% more than book value. The liability will be discharged by the company. The purchase price was to paid Rs.1, 30,000 in fully paid ordinary shares and balance in cash.

Required: Give journal entries to record the above transactions.

Q.No.6 Zafar of Karachi bought dry fruit of Rs.20, 000. & consigned to Asif of Lahore on Joint-venture basis. Profits are divided, Zafar 75% and Asif 25%. They also paid Rs.1200 for freight, Rs.200 for insurance, Rs.100 for cartage and drew on Asif for Rs.6, 000 for 3 month. The bill was discounted by Zafar Brothers for Rs.5,800. Asif paid Rs.200 for storage and Rs.70 for insurance. The Gross Sales were Rs.30, 000. Asif & Co remitted a draft for the balance after charging the sales commission at 5% on sales. **20**

Required: - Give journal entries and ledger accounts of both parties.

Q.No.7 Following is the Balance Sheet of M/S Imran Ltd. on 31st December, 2008. **20**

Liabilities	Rs.	Assets	Rs.
Equity share capital	70,000.	Land & Building	20,000.
General Reserve	25,000.	Plant & Machinery	20,000.
Reserve for Contingencies	10,000.	Furniture & Fixtures	5,000.
6% Mortgage debentures	25,000.	Stock	50,000.
Income tax payable	4,000.	Bills Receivable	10,000.
Bills payable	3,000.	Sundry debtors	20,000.
Bank overdraft	3,000.	Trade investment	5,000.
Sundry creditors	10,000.	Prepaid Expenses	2,000.
		Cash at bank	18,000.
	1,50,000.		**1,50,000.**

Required:- (a) Current Ratio **(b)** Acid test Ratio **(c)** Debt Equity Ratio **(d)** Proprietary Ratio

Q.No.8 **(A) Fill in the blanks.** **20**

i. Auditor may be appointed in the name of__________.

ii. A person indebted to the_______ cannot be appointed as its _________

iii. The Auditor's report shall be ________ before the company in _______ meeting.

iv. Unlisted companies should prepare their account according to _________

v. The directors' Report should be signed by ______ of the board or _______ of the company.