



TERTIARY AND VOCATIONAL EDUCATION COMMISSION



COMMON WRITTEN EXAMINATION

All Rights Reserved

Tertiary and Vocational Education Commission		
NVQ Level 05 –Semester I Diploma in Quantity Surveying		
Diploma in Quantity Surveying (NVQ Level V)		
Financial Accounting	F45C002M06	Three Hours
Answer 04 questions including question No 01.		

Question No 01

The following trial balances were extracted from the books of accounts of XYZ (Pvt) Ltd. as on March 31, 2018

<i>Particulars</i>	<i>Amount (Rs)</i>	<i>Amount (Rs)</i>
Opening stock	38,000.00	
Sales		1,450,000.00
Purchases	1,035,000.00	
Salaries & Wages	781,000.00	
Other administration expenses	420,000.00	
Advertising cost	71,000.00	
Repairs to buildings	249,000.00	
Rent income		35,000.00
Discount received		41,000.00
Losses from stock damage	10,500.00	
Provision for doubtful debts as at 01/04/2017		3,500.00
Trade debtors	49,000.00	
Trade creditors		42,000.00
Cash	108,000.00	
Capital		4,100,000.00
Building (cost)	1,300,000.00	
Land (cost)	2,000,000.00	
Provision for depreciation as at 01/04/2017		
Buildings		39,000.00
	6,061,500.00	6,061,500.00

Other information

- a) The value of stock as on March 31, 2018 is Rs. 68,000.00

- b) Building is upgraded at the expense of Rs 100,000.00 on 01/10/2017 & the floor area has increased as a result of it. This amount is included in repairs to building account. Depreciation rate of building is 10%.
- c) Accrued advertising expense is Rs. 68,000.00 on 31/03/2018
- d) A part of office building is rented out from 01/04/2014 & the Rs. 35,000.00 advance received was credited to rent income account
- e) General provision for doubtful debt is 10%

After making the above adjustments you are required to prepare,

1. Trading & profit & loss account of XYZ (Pvt) Ltd for the year ending 2018 (25 Marks)
2. The balance sheet as at 31st March 2018 (15 Marks)

Question No 02

Following receipt and payments details are indicated in the Books of S&D Company as at 31 March 2018.

Transaction	Amount Rs.
Receipts from debtors	65,000.00
Payments to suppliers	8,000.00
Salaries & wages paid	18,000.00
Purchase of fixed Assets	5,000.00
Loan received	20,000.00
Re-payment of loan	5,000.00
Interest paid	500.00
Distribution cost	10,000.00
Administration cost	8,000.00
Taxation paid	2,000.00
Investment in XLtd	3,000.00
Dividend received	800.00
Share issued	3,000.00
Dividend paid	500.00
Cash and equivalent at the beginning of the period	3,000.00

You are required to

- a) Prepare cash flow statement for period ended 31 March 2018.

(20 Marks)

Question No 03

The following expenses took place in the month of January 2017

Date	Voucher No	Transaction	Amount (Rs)
01/01		Received petty cash	400.00
02/01	01	Postage expenses	5.00
02/01	02	Travelling expenses	12.00
04/01	03	Taxi fees	20.00
04/01	04	Entertainment expenses	10.00
04/01	05	Registration fees of letter	6.00
07/01	06	Fuel	20.00
07/01	07	Tea expenses	8.00
07/01	08	Telegram fees	4.00
10/01	09	Office cleaning fees	30.00
10/01	10	Bought a pencil cutter	15.00
10/01	11	Paid to 'A'	90.00
17/01	12	Stationary	20.00
17/01	13	Bought 02 chairs for office use	100.00
17/01	14	Gave a beggar	2.00
27/01	15	Taxi fees	5.00
30/01	16	for rubber seal	8.00
01/02		Reimbursed the impress	

You are required to record above transaction in the Petty cash book and relevant ledger accounts.

(20 marks)

Question No 04

1. What is the importance of ratio analysis? Briefly explain
2. The following information is available with PQ Ltd. for the year 2016/2017

	(Rs)
Inventory as at 01/04/2016	20,000.00
Inventory as at 31/03/2017	25,000.00
Cost of goods sold	225,000.00
Credit purchases	160,000.00
Creditors as at 01/04/2016	12,000.00
Creditors as at 31/03/2017	8,000.00
Sales	320,000.00
Debtors as at 01/04/2016	30,000.00
Debtors as at 31/03/2017	40,000.00

You are required to compute

- a. Inventory holding period
- b. Creditor's settlement period
- c. Debtor's collection period

(20 Marks)

Question No 05

1. Explain the importance of capital budgeting decision.
2. State 02 major investment appraisal techniques.
3. State 03 advantages & 03 disadvantages of Internal Rate of Return (IRR) method
4. Briefly describe the importance of investment decisions.

(20 Marks)