



ALLAMA IQBAL OPEN UNIVERSITY
Semester Terminal Exam Autumn 2020

Program /level:	BA/B.Com/Associate Degree Program	Maximum Marks	100
Title /Course Code	Principles of Accounting (438)	Pass marks	40/50

Instructions for Exams:

1. Attempt All Questions.
2. Write answers in your own words and avoid copying from an internet source or any book.
3. Be precise, avoid unnecessary details, answer to each question must be between 600-800 words.
4. Students can attempt paper on any white page. Mention Roll No. , Name & Signature on every page. Attach undertaking with each course code.
5. Students are advised to post their answer sheets to their tutor well in time so the same must reach on or before **20-06-2021**.
6. Submissions after due date & time will not be entertained.

Q. No.	Questions	Marks
1	<ol style="list-style-type: none">i. What relationship exist between the position of an account on the balance sheet and the rules for recording increase in that account.ii. What requirement is imposed by the double entry system in the recording of any business transaction?	33
2	<ol style="list-style-type: none">i. What factor should be considered when comparing the net income figure of a partnership to that of a corporation of similar size?ii. What do you understand the concept and meaning of amalgamation?	33
3	<p>You are employed by a business consulting firm as an information system specialist. you have just begun an assignment with a startup company and have been given the assignment of discussing with the owner her need for an accounting system. How would you respond to the following questions from the owner?</p> <ol style="list-style-type: none">a. Who designs and install accounting system?b. What is the purpose of an accounting system and what are its basic functions?c. How does management s explanation enhance the usefulness of financial accounting information?	34