

ACCOUNTANCY AND AUDITING, PAPER-I

Required:

(a) On the basis of above data, compute the following for the year 2020 and 2021 (5)

- Earnings per share (EPS)
- Return on closing equity (ROE)
- Book value per share (BV)

(b) Compute dividend per share and rate of dividend for the year 2022. (5)

(c) For the year ending 31st December 2022 the management decided to aim for EPS Rs.4.00 (9% higher than for the year 2021) and return on closing equity of 25%. Compute the estimated book value as at 31st December 2022 assuming that management targets are achieved. Also compute estimated figures for Profit after Tax, Dividend and Equity. (10) (20)

Q.4. (A) Post-closing Trial Balance of Premium Fabrics Private Limited for the year ended December 31, 2021 and 2022 are as follows:

	2022	2021
Equities and Liabilities		
Issued and paid-up capital	5,000,000	5,000,000
Short-term running finance	3,000,000	800,000
Unappropriate profit	400,000	300,000
Trade Creditors	3,000,000	1,000,000
Accumulated Depreciation:		
Plant and Machinery	900,000	600,000
Motor Vehicle	420,000	280,000
	12,720,000	7,980,000
Assets		
Land and Building	2,500,000	1,500,000
Plant and Machinery	3,000,000	2,500,000
Motor vehicles	620,000	580,000
Stock in Hand	3,600,000	1,100,000
Trade debtors	3,000,000	2,300,000
	12,720,000	7,980,000

Additional data:

- During the year 2022, a dividend @ 10% was distributed to the shareholders. The paid-up value of each share is Rs. 10/-
- A Motor vehicle, having original cost of Rs. 100,000 and depreciated book value of Rs. 60,000 was sold for Rs. 80,000.
- Gross funds generated from operations during the year was Rs. 1,060,000.

Required: prepare a cash flow statement of Premium Fabrics as per IAS-7 for the year 2022.

(B) Mr. Haider started a business on March 1st 2022 with a capital of Rs. 645,000. His newly appointed bookkeeper records transaction on simple papers. His cash book page shows following transactions for the year. (10)

Particulars	Amount	Particulars	Amount
Expenses Paid	27,500	Sales on cash	322,000
Receipts from debtors	241,000	Drawings of Mr. Haider	25,500
Purchase of Motorbike	92,000	Payments to creditors	322,000
Purchases on cash	148,000		

On December 31st 2022 value of closing stock is 46,000. The payables and receivables are Rs.125,000 and Rs. 80,000 respectively. Useful life of motorbike is 8 years and salvage value will be 32000. Bookkeeper decided to use the straight-line method of depreciation for the whole useful life of motorbike.

Required: Prepare Trading and Profit and Loss account and Balance Sheet as on 31st December 2022. (10) (20)

SECTION – II

Q. 5. (A) Eagle Star is a manufacturing company. The Company uses Rowan Premium bonus scheme for its workers payroll. Workers are also entitled to dearness allowance of Rs. 2,400 per week of 48 hours. Mr. Afzal is one of the workers of that company. His basic wage rate is 1,200 per day of 8 hours. His time sheet for the week is as under:

Job Name	Time Allowed	Time Taken
Crafting	25 hours	20 hours
Assembling	30 hours	20 hours
Idle time (Waiting)	---	8 hours

Required: Calculate gross wage of Mr. Afzal for the week. (10)