

Sample Test Paper

Section – 1 **Auditing – 20 Marks**

Question: A renowned multinational concern GELL Pakistan Ltd has agreed to engage your Professional Services Firm AEIOU & Co for their Statutory Audit. Saleem Akram, as a team member for this engagement, is asked by his Engagement Manager to prepare an audit plan. For this purpose, he attempts to understand the nature of business of the client. Could you identify some sources from where such information can be obtained?

Question: Harry Potter & Co is a Pakistani multinational, having business in England, USA and Central Europe, as well as in Pakistan. In order to verify local sales of this business, as the auditors of Harry Potter & Co. what audit procedures what you perform?

Section – 2 **Financial Accounting – 20 Marks**

Question: On December 2011, Fazal Ltd incurred an expenditure of Rs 1,000,000 and capitalized it. On January 10, 2012 further expenditure of Rs 10,000,000/- was incurred and capitalized again. As per IAS-38, criteria of capitalization were met on January 8, 2012. How would the above information be disclosed in the books of Fazal Ltd? What would be the appropriate treatment of the above in your opinion?

Question: If a capital expenditure is erroneously treated as revenue expenditure, will the net income of the current year be overstated or understated? Will this error affect the future years' income? Explain.

Section – 3 Cost Accounting – 10 Marks

1. The Facto industries are the makers of La Beauty Soap. Data pertaining to the costs incurred during the month is as follows

Head of Expense	Rupees
Imported raw material	125,000
Sales tax	25,000
Import duty	10,000
Transportation (from Customer warehouse to factory)	25,000
Direct labour	25,000
Rent of the factory	2,000
Depreciation	2,000
Maintenance of machinery (fixed)	2,000
Indirect material	2,000
Indirect labour	2,000
Total cost during the month	220,000

Your task is to calculate

- The total cost
- Per unit cost, given the following two basis and making any assumptions that you may require for solving the problem

	Normal Capacity	Actual Capacity
Direct labor hours	8,000	9,000
Direct machine hours	8,000	7,000
Number of units produced during the month		10,000

Section – 4 Taxation – 15 Marks

(separate for CA & ACCA Stream)

Question: Arnold employed in Rambo (Pvt) Ltd has furnished the following information for computing his taxable income for tax year 2012:

	Rupees
Basic salary	550,000
House rent	250,000
Utilities	150,000
Medical allowance	150,000
Car provided by company for both business and personal use having engine capacity of 1800 CC, costing Rs.1,800,000	
Dividend income from Cliffhanger (Pvt) Ltd	30,000
Dividend income from Daylight Ltd listed on Islamabad Stock Exchange.	20,000
Reimbursement by employer for hospitalization	150,000
Capital gain/(loss) from following transactions:	
Gain on sale of shares of Rocky (Pvt) Ltd (shares were purchased on March 2009)	25,000
Share of profit received from AOP	100,000
Gain on sale of house	500,000
Property income.	45,000
Income from prize bonds	2,500,000

You are required to :

1. Compute the taxable income of Arnold for tax year 2012.
2. Provide the tax rate on property income.
3. Provide the tax rate on income from prize bonds.

Section – 5 Company & Mercantile Law – 15 Marks

(Separate for CA & ACCA Stream)

Question: Yousuf Gillani Pvt. Ltd is a newly formed company. In order to fulfill the statutory requirements, an auditor has to be appointed. Who will appoint the Auditor for the company? What is the time period within which the Auditors of the Company has to be appointed.

Question: List down any four essentials of a valid contract.

Section – 6 Information Technology – 5 Marks

Question: CISCO Certified Professionals are related to _____?

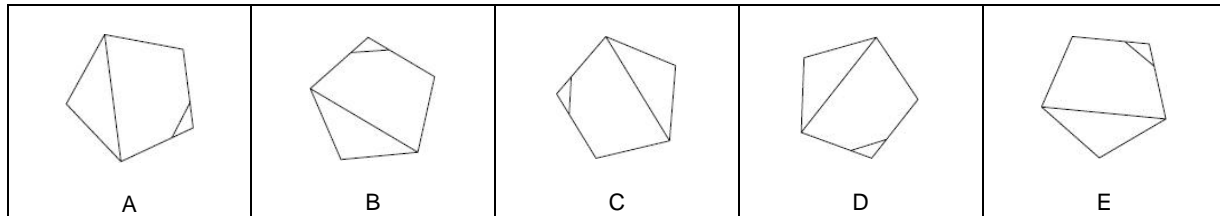
1. Networking
2. Security
3. Both of the above depending on the stream
4. Programming
5. None of the above

Section – 7 Intelligence Quotient – 5 Marks

Question: 0, 1, 2, 4, 6, 9, 12, 16, ?

What number should replace the question mark?

Question: Which is the odd one out?



Section – 8 English – 10 Marks

Essay Writing