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අධ්‍යයන මට්ටම මධ්‍ය (උසස් මට්ටම) විභාගය - 2020 අගෝස්තු
 கல்விப் பொதுத் தரப்பப் பத்திர (உயர் தர)ப் பரீட்சை - 2020 ஓசூர்
 General Certificate of Education (Adv. Level) Exam - August 2020

නව නිර්දේශය
 புதிய பாடத்திட்டம்
 New syllabus

ගිණිමිකමටය I
 கணக்கறி I
 Accounting I

33 E I

පැය දෙකයි
 இரண்டு மணித்தியாலங்கள்
 Two Hours

Instructions:

- *Select the correct answer for question No: 1- 30 & write its number on the dotted line given.
- *Write short answer for question No: 31-50 on the dotted line.
- *Each question carries two marks

Index No:

Question No

Marks

01-30

31 -50

Total

01. Main objectives of accounting is

- 1) To provide all the information related to a business to all stakeholders in order to take decisions
- 2) To identify, record, classify and summarize transactions of a business
- 3) To provide analytical information required to managers of a business
- 4) To provide financial information about the business to stakeholders in order to take Decisions
- 5) To provide information required to external stakeholders through specific purpose financial statement

(.....)

Use the following information to answer question 02 and 03

Accounting equation of a business as at 01.01.2021 is given below

Assets = Equity + Liabilities

800 000 = 700 000 + 100 000

Following transactions were took place during the month of January

- January 5 Owner invested a property worth of Rs. 100 000 to the business
- January 8 Sold Rs. 50 000 worth of stocks on credit keeping a profit of Rs. 30 000
- January 10 Cash received from a debtor of Rs. 70 000 subjected to a 10% discount
- January 20 Write off Rs. 10 000 as bad debts

02. What would be the new accounting equation after adjusting the above transactions?

Assets = Equity + Liabilities

(Rs. '000)

- | | | | | | |
|---|-----|---|-----|---|-----|
| 1 | 853 | = | 753 | + | 100 |
| 2 | 903 | = | 803 | + | 100 |
| 3 | 913 | = | 813 | + | 100 |
| 4 | 927 | = | 827 | + | 100 |
| 5 | 930 | = | 830 | + | 100 |

(.....)

03. Which of the following shows the correct impact on the profit and on the total equity of the business due to the above transactions?

Impact on Profit

(Rs. '000)

Impact on Total Equity

(Rs. '000)

- | | | |
|----|------|-----|
| 1) | (17) | 113 |
| 2) | 13 | 113 |
| 3) | 37 | 137 |
| 4) | 113 | 113 |
| 5) | 137 | 137 |

(.....)

04. Which shows the correct order of accounting elements of the following accounts?

- A - Provision for doubtful debts
- B - Revaluation loss
- C - Income tax for the year
- D - Provision for sales warranties

- (1) Liabilities, expenses, expenses, liabilities
- (2) Assets, expenses, expenses, liabilities
- (3) Assets, equity, liabilities, liabilities
- (4) Assets, equity, equity, liabilities
- (5) Liabilities, expenses, liabilities, expenses

(.....)

05. Which of the following concept is violated if a business changed its depreciation method to a new method

- 1) Disclosure concept
- 2) Going concern concept
- 3) Consistency concept
- 4) Historical cost concept
- 5) Matching concept

(.....)

06. Which of the following is the correct answer when transactions listed in “column X” matches with the source document listed in column Y”

Column X		Column Y	
1. Return inwards	- A	Debit note	
2. Receipt of cash	- B	Journal voucher	
3. Write off of bad debts	- C	Receipt	
4. Return outwards	- D	Invoice	
5. Credit Purchases	- E	Credit Note	
1) A B C D	2) B C A D E	3) A C B E D	
4) E C B D A	5) E C B A D		

(.....)

07. What are the concepts relating to following journal entry

Closing Stock	Dr
Stock written off	Dr
Trading account (cost of sales)	Cr

- 1) Entity concept and historical cost concept.
- 2) Prudence concept and Realization concept.
- 3) Realization concept and business entity concept.
- 4) Realization concept and materiality concept.
- 5) Prudence concept and matching concept.

(.....)

08. Following information is relevant for the month of June 2021 of a business.

Sales	Listed price	Trade discount
Cash	2 000 000	10%
Credit	6 000 000	5%

10% discount will be given to debtors who settle their debt within 20 days. 50 % of debtors have settled their dues receiving the relevant discount. The journal entry to record discount given to debtors,

Dr		Cr	
1) Discount allowed	Rs.285 000	Cash	Rs.285 000
2) Discount allowed	Rs.600 000	Cash	Rs.600 000
3) Discount allowed	Rs.600 000	Debtors control	Rs.600 000

4) Discount allowed Rs.285 000
5) Discount allowed Rs.570 000

Debtors control Rs.285 000
Debtors control Rs.570 000

(.....)

Answer the questions No: 09 and 10 using the following information

All cash receipts and cash payments are conducted through current account.

At the beginning of the month bank statement shows credit balance of Rs 32 000. It is deviated with cash control account by only un realized cheques of Rs.18 000.

The following information's are extracted from cash receipt journal, cash payment journal and bank statements:

Description	Rs.	Rs.
Cash receives journal total for the month of March		130 000
Cash payment journal total for the month of March		115 000
Realized cheque during March(Including last month unrealized cheque)		128 000
presented cheques during March		102 000
Omitted items in cash control account are as follows		
Direct deposit	9 000	
Bank charges	3 000	

09. Un-presented cheque and unrealized cheque for the month of March respectively

- (1) Rs. 13 000, Rs. 20 000 (3) Rs. 102 000, Rs. 2 000 (5) Rs. 102 000 Rs. 20 000
(2) Rs. 13 000, Rs. 2 000 (4) Rs. 13 000, Rs. 128 000

(.....)

10. Cash control account balance that should be shown in statement of financial position as at 31.03.2020

- (1) Rs. 71 000 (2) Rs. 56 000 (3) Rs. 27 000 (4) Rs. 22 000 (5) Rs. 20 000

(.....)

11. Roy PLC has purchased a machine for Rs. 610 000 on 01.04.2017 and depreciate it 20% on depreciable value on straight line method. Residual value is estimated as Rs. 30 000. On 01.04.2020, the business decided to increase depreciation percentage to 25% on depreciable value as decreasing efficiency of generating economic benefits of the machine.

What would be the amount of profit or loss, if the business sold this machine for Rs. 240 000 on 01.10.2020?

- 1) Loss of Rs. 7 000 4) Loss of Rs. 43 500
2) Gain Rs. 43 500 5) Gain of Rs. 7 000
3) Gain of Rs. 15 000

(.....)

12. Cost of the stock as at 31.03.2020 of Hathurusinghe's business was Rs. 400 000. It includes damage stock of 100 000 and which can be sold for Rs. 90 000. Another Rs. 100 000 worth of stock was destroyed due to floods and it could be sold for s. 80 000 by incurring Rs. 20 000 as expense. Stock to be shown in the statement of financial position as at 31.03.2020 and stock loss to be charged to income statement for the year ended 31.03.2020 respectively would be?

- 1) Rs. 50 000 and Rs. 350 000 4) Rs. 400 000 and Rs. 100 000
2) Rs. 350 000 and Rs. 50 000 5) Rs. 300 000 and Rs. 100 000
3) Rs. 200 000 and Rs. 200 000

(.....)

13. Draft net profit of Sarath business for the year ended 31.03.2020 was Rs. 180 000. Later they identified following errors and omissions.

- Net trade receivable shown in the statement of financial position as at 31.03.2020 was Rs. 175 750
- Sales invoice of Rs. 15 000 was omitted from the books of accounts
- Rs. 12 650 worth of purchase invoice has been debited to purchase account including 15% VAT
- Stock as at 31.03.2020 has been overstated by Rs 2 000
- Policy of the business to provided 10% provision for doubtful debts on year end debtors balance. Only 5% has been provided for the current financial year.

Correct net profit of the business for the year ended 31.03.2020 was?

1. Rs. 183 900
2. Rs. 187 570
3. Rs. 195 070
4. Rs. 199 070
5. Rs. 191 570

(.....)

14. The adjustment for goodwill in a partnership business is done because?

1. The value of goodwill could change time to time
2. Goodwill should be shared equally among the partners
3. The interest of all partners in the equity should be fairly assured
4. Partners create goodwill personally
5. Goodwill enhance future economic benefits

(.....)

15. On 01.04.2019 “Shinelly” commenced a trading business by investing Rs. 360 000 as capital. On 31.03.2020 she had Assets of Rs. 500 000 worth building, Rs. 100 000 inventory, Rs. 50 000 debtors and cash balance total of Rs. 78 000. On that day, as liabilities, there were Rs. 300 000 bank loan and Rs. 40 000 creditors.

According to above information as at 31.03.2020?

	Net Assets (Rs.)	Net Profit (Rs.)
(1)	728 000	368 000
(2)	388 000	368 000
(3)	728 000	28 000
(4)	688 000	408 050
(5)	388 000	28 000

(.....)

Use the following information in answering question No: 16 & 17

The following conditions were available on the partnership agreement of the partners of Ama and Hema who were sharing profits and losses equally

- Ama and Hema have invested 4 000 000 and 3 000 000 respectively
- Partners are entitled to an annual salary of Rs. 450 000
- An interest of 10% will be allowed on the capital of partners
- Current Account balances of Ama and Hema as at 01.04.2019 were Rs. 1 200 000 and 1 000 000 respectively.
- A profit of Rs. 1 800 000 has been earned during the year ended 31.03.2020
- Ama has taken Rs. 200 000 as salary during the period
- Randima joined to the business as a new partner on 31.03.2020 and the good will was estimated as Rs. 800 000 and agreed to adjust the good will through the partners Capital accounts. Randima brought Rs. 2000 000 as capital. new profit sharing ratio between Ama, Hema and Randima is 2:2:1

16. What are the current account balance of Ama and Hema as at 31.03.2020?

Sr No	Ama (Rs. '000)	Hema (Rs. '000)
(1)	1 950	1 850
(2)	2 050	1 650
(3)	1 650	1 650
(4)	2 150	1 850
(5)	1 750	1 850

(.....)

17. What is the total equity of the partnership as at 31.03.2020 (Rs. '000)

- (1) Rs. 13 600 (2) Rs. 12 600 (3) Rs. 5 600
(4) Rs. 9 000 (5) Rs. 12 800

(.....)

18. Which of followings would be affected to increase the equity of a limited liability company?

- A - Land revaluation surplus
B - Proposed dividends for ordinary shares
C - Provision for depreciation
D - Rights issue
E - Bonus issue

1. A B and D only 2. A D and E only 3. A and D only
4. A B D and E only 5. A B C and D only

(.....)

19. Net profit earned by Sachintha PLC for the year ended 31.12.2019 is Rs. 2 000 000. During the year ended 31.12.2019 Land was revalued and it was generated a revaluation gain of Rs. 200 000. This land has been revalued in the previous year and incurred a loss of Rs. 50 000. A motor vehicle was revalued on 31.12.2019 and it was generated a profit of Rs. 100 000. what is the total comprehensive income as at 31.12.2019 (Rs. '000)

- (1) Rs. 2 700 (2) Rs. 2 250 (3) Rs. 2 000 (4) Rs. 2 150 (5) Rs. 2 300
(.....)

20. The following balances were extracted from the statement of changes in equity of Sesadi PLC

	As at 01.04.2019 (Rs. '000)	As at 31.03.2020 (Rs. '000)
Ordinary Share Capital	8 000	8 000
General Reserve	1 000	1 500
Revaluation Reserve	750	1 250
Retained earnings	750	950
Dividends paid during the year 2019/2020 is Rs. 200 000		

Net profit for the year ended 31.03.2020 and the equity on the same date are:

Sr No	Profit for the year (Rs. '000)	Total Equity (Rs. '000)
(1)	200	10 500
(2)	400	11 500
(3)	700	11 900
(4)	900	11 700
(5)	1 400	11 700

(.....)

21. A company purchased a machine under a finance lease. The lease period is 3 years and the annual lease installment is Rs. 250 000. Cost of the machine is Rs. 600 000 and the annual interest rate is 10%.

The amount to be recorded as lease under current and non-current liabilities at the end of the year

	Current Liability (Rs.)	Non-current Liability (Rs.)
(1)	201 000	209 000
(2)	250 000	410 000
(3)	250 000	160 000
(4)	209 000	201 000
(5)	215 000	135 000

(.....)

22. The following balances were extracted from Dimuth PLC as at 31.03.2020

	Rs. '000
Operating profit before interest and tax	1 800
Interest expenses	300
Income tax for the year	500
Rs. 10/= ordinary share capital	2 000
Total reserves as at 01.04.2019	200
15% debentures	2 000

The interest coverage ratio and return on equity ratio of this company are:

	Interest coverage ratio	Return on equity
(1)	5 times	28%
(2)	4 times	26%
(3)	6 times	29%
(4)	5 times	29%
(5)	6 times	31.25%

(.....)

23. Which of the following event will cause to decrease the quick ratio?

- (1) Issue of ordinary shares
- (2) Sales of motor vehicle by cash
- (3) Collecting cash from debtors
- (4) Collecting cash from rights issue
- (5) Purchase of goods on credit

(.....)

24. Which of the following conditions should be satisfied in order to recognize a provision as per LKAS No: 37?

- A) - When there is a future obligation as a result of a past event
- B) - When there is a present obligation as a result of a past event
- C) - When reliable estimate cannot be made of the amount of obligation
- D) - When it is probable that outflow of economic resources when settling obligation
- E) - When the amount must be able to be measured reliably

- 1). Only A D E
- 2). Only B,D & E
- 3). Only C D E
- 4) Only A B E
- 5). Only B C D

(.....)

25. The following information related to produce P manufactured by a company:

- Average consumption 500 units per week
- Minimum consumption 250 units per week
- Economic order quantity 3 500 units
- Re-order time minimum 4 weeks maximum 6 weeks

Reorder level and maximum stock level are:

	Re-order level	Maximum stock level
(1)	3 500 units	7 000 units
(2)	4 500 units	7 000 units
(3)	4 500 units	3 500 units
(4)	3 000 units	3 500 units
(5)	3 500 units	3 500 units

(.....)

26. The following information relates to the employee salary of Lanka PLC for the month ended on 31.05.2020.

Employee name	Hours worked
Kalinga	185
Malinga	178

- 170 hours should be worked for a month
- Salary rate for a normal working hour is Rs. 150 and salary rate for an overtime working hour is Rs. 200
- Employee and employer contribution to the EPF is 15% and 10% respectively. (Overtime is not considered when calculating EPF)

The total employee related expense of Lanka PLC for the month of May 2020 is:

- (1) Rs. 30 100 (2) Rs. 55 600 (3) Rs. 25 500
(4) Rs. 60 700 (5) Rs. 63 250

(.....)

27. Which of the following statement is true relating to overhead cost?

- (1) The cost which cannot be directly recognized with a product or service is an indirect cost
(2) Allocation of overhead cost of the service departments to the production departments is known as apportionment
(3) Allocation of total overhead cost of each production department to service department is known as overhead absorption
(4) Overhead cost of the service departments are always allocate to all the production departments
(5) Prime cost is the total of material cost, labour cost and other costs

(.....)

28. The following information relates to the production cost of a limited liability company

	Production Department 1	Production Department 2
Estimated total overhead cost	900 000	400 000
Estimated direct labour hours	60 000	50 000
Estimated machine hours	30 000	40 000

Overhead cost is absorbed to the production department 1 on the basis of direct labour hours and to the production department 2 on the basis of machine hours.

The company takes 3 machine hours and 4 labour hours to produce one unit and prime cost per unit is Rs. 100/=

The total production cost per unit is:

- (1) Rs. 100 (2) Rs. 90 (3)Rs. 190 (4) Rs. 185 (5) Rs. 180

(.....)

29. Unit price of a product of a manufacturing business is Rs. 50 variable cost is Rs. 40 and fixed cost is Rs. 90 000 current sales volume is 12 000 units.

Current profit of the business and the breakeven point are:

	Current Profit	Breakeven point(Rs.)
(1)	Rs. 30 000	450 000
(2)	Rs. 30 000	150 000
(3)	Rs. 80 000	390 000
(4)	Rs. 90 000	400 000
(5)	Rs. 70 000	450 000

(.....)

30. Following information is provided in relation to a project of Elsa PLC (Rs. '000)

Year	0	1	2	3	4
Cash inflows	200	600	750	900	1 000
Cash outflows	2 200	300	300	200	400

The residual value of Rs. 100 000 was not adjusted to the above cash flows

Discounting factors at 10%

Year	0	1	2	3	4
	1	0.9	0.8	0.7	0.6

What is the net present value of the project (Rs. '000)

- 1) (340) 2) (280) 3) 460 4) 340 5) (460)

(.....)

Write short answers for question No: 31 to 50 on the dotted line

31. State the prime entry books use to record the following transactions and events.

	Transaction/event	Prime Entry Book
A	Goods drawings
B	Return goods to the creditors
C	Recovery of bad debts
D	Sale of property plant & equipment on credit

32. Total assets and total liabilities of a business as at 01.03.2020 were Rs.500 000 and Rs.200 000. The following transactions took place during the month of May:

- A stock worth Rs.50 000 has been sold for Rs.80 000
- Owner brought Rs.110 000 as additional capital to the business
- Received other income Rs.10 000 and paid expenses Rs.15 000

As per the above information, the increase in net assets as at 31.03.2020:

.....

33. A computer of Rs. 200 000(excluding VAT) has been purchased on 01.04.2020 and applicable VAT rate is 15%. Residual value of this computer is Rs. 100 000 and the useful life time is 4 years.

- A) Calculate the annual depreciation charge if this business is registered for VAT

.....

- B) Calculate the annual depreciation charge if this business is not registered for VAT

.....

34. State the accounting concept which guides an entity to make followings adjustments in the financial statements

Adjustments	Accounting Concept
A. Recording of cost of inventories in the income statement
B. Adjusting provision for doubtful debts based on debtors balance
C. Basis for depreciation of property, plant and equipment
D. Recording of income receivable and received in advance

35. State the journal entry to record the following transactions (Narrations are not required)
- (A) Writing off bad debts amounting to Rs. 200,000 for which the business has already make a special provision for doubtful debt.

.....

- (B) Receipt of an insurance claim of Rs. 180,000 for which the business has earlier identified as receivable

.....

36. Following information is related to the subscription of Rantharu Sports Club for the year ended 31 March 2020.

- Number of members is 1,000
- Annual subscription per member is Rs. 2,000
- Subscription received in advance
 - As at 01.04.2019 - from 3 members
 - As at 31.03.2020 – from 5 members
- Subscription in arrears
 - As at 01.04.2019 - from 8 members
 - As at 31.03.2020 – from 10 members

(A) What is the subscription income for the year ended 31.03.2020, if the sports club uses accrual basis to identify the subscription Income? **Rs.**

(B) What is the amount of subscription received by cash during the year ended 31.03.2020? **Rs.**

37. A machine which had a carrying amount of Rs.600 000 as at 01.04.2019 was revalued at Rs.700 000. A new machine was purchased by exchanging this machine at an agreed value of Rs.750 000 and paying Rs.100 000 by cash on 01.01.2020. Machinery is to be depreciated 20% per annum. Calculate the following:

- (A) Carrying amount of the machines as at 31.03.2020?.....
- (B) Machinery exchange profit or loss?

38. State whether the following statements are true or false by marking (✓) and (✗)

A	Financial accounting presents only historical data	
B	Ownership of an asset which acquired under a financial lease will not be transfer to business until the payment of the final lease installment	
C	The VAT inclusive sales price is considered as income in recording sales of a company which is registered for VAT	
D	Only stock values included in the income statement are considered in calculating the stock turnover ratio but not the stock value in the statement of financial position	

39. The following information has been given to identify the stock loss due to the fire occurred on 30.04.2021 in a particular business:

	(Rs. '000)
• Cost of the stock as at 31.03.2021	- 180
• Net realizable value of the stock as at 31.03.2021	- 160
• Total of purchase journal	- 1 500
• Total of return outwards journal	- 400
• Sales income	- 1 500
• Gross profit ratio	- 50%

Value of stocks rescued from the fire were Rs. 50 000 and stocks in transit as at 31.04.2021 were Rs. 80 000

Calculate the value of stocks damaged by the fire.

.....

40. Accounting period ends on 31.03.2021 and the board of directors will be giving their approval on 20.05.2021 to issue the financial statements. State whether the following events are adjusting or non-adjusting events according to LKAS – 10

A	A debtor to whom goods were sold on 20.05.2020 for Rs. 100 000 had been bankrupt on 08.05.2021	
B	A debtor to whom goods were sold on 31.03.2021 for Rs. 200 000 had been bankrupt on 10.05.2021	
C	A debtor to whom goods were sold on 20.04.2021 for Rs. 300 000 had been bankrupt on 19.05.2021	
D	A debtor to whom goods were sold on 25.04.2021 for Rs. 300 000 had been bankrupt on 30.05.2021	

41. A machine was acquired under financial lease on 01.04.2019 for Rs. 920 000. The lease term period is 4 years. Lease interest and the installment of the first year was Rs. 80 000 and Rs. 280 000 respectively. Loan portion of annual lease installment of the 2nd year and the 3rd year was Rs. 220 000 and Rs. 240 000. Lease installments relevant to each year have been properly paid at the end of every financial year.(31/03)

A	Lease interest for the year 2020/2021	
B	Current lease liability as at 31.03.2021	
C	Noncurrent lease liability as at 31.03.2021	
D	Total lease liability as at 31.03.2021	

42. Information related to changes in equity of “Thara PLC” are as follows:

Balances as at 01.04.2020	Rs. '000
Ordinary shares at Rs. 10 each	- 8 000
Revaluation reserve (building)	- 500
General reserve	- 500
Retained earnings	- 800

Additional Information for the year ending 31.03.2021

• Profit for the year	-	Rs. 500
• Loss incurred on building revaluation	-	Rs. 200
• Payment of dividends during the year	-	Rs. 300
• Capitalization of reserves	-	Rs. 400
• Transfer to general reserves	-	Rs. 100

\Using the above information calculate the following as at 31.03.2021

A	-	Stated capital of the company	-
B	-	Total reserves of the company	-

43. The current ratio of a particular company is 2:1. State the changes of that current ratio on the Occurrence of the following situations (Indicate whether increase, decrease or no change)

A	Purchase of stocks worth of Rs. 500 000 on cash	
B	Obtained a long term bank loan for Rs. 500 000	
C	Written off of a stock value of Rs. 200 000	
D	Payment to creditors Rs. 400 000	

44. State two differences between a liability and a contingent liability

- 1)
- 2)

45. The information's for the month of May 2020 are as follows:

Description	Rs.
May 01 stock 60 units each at	80
May 05 purchases 40 unit each at	90
May 15 purchases 50 unit each at	100
May 25 sales 110 units	

If FIFO method is used in stock pricing. Calculate the followings:

- A) Cost of sales for the month of May 2020.....
- B) Value of stocks as at 31 May 2020.....

46. Information related to a particular material used in a manufacturing organization are given below:

No. of orders	Annual Ordering cost	No of units per order
8	4 800	3 000
4	2 400	6 000

Holding cost is equal to 1/30 of cost per order

Calculate the Economic order quantity.....

47. Fill the following blanks given in the table
Cost and income of a business at different sales volumes are given below:

Sales Units	Sales Income	Variable Cost	Total cost	Total Contribution	Profit
2 000	400 000	200 000			
4 000	800 000	400 000			
6 000	1 200 000	600 000			
8 000	1 600 000	800 000			

- Fixed manufacturing cost - Rs. 100 000
- Fixed non-manufacturing cost - Rs. 50 000

48. An order for 2 000 garments has been received by a particular business. Estimated cost and revenue related to above order are given below.

- Sales income - Rs. 400 000
- Direct material cost - Rs. 180 000
- Direct labour cost - Rs. 60 000
- Fixed royalties - Rs. 40 000
- Other fixed production cost - Rs. 24 000

Required

- (i) Calculate BEP(Q) and BEP(Rs)?
- (ii) Draw a Profit volume chart and mark the fixed cost, BEP(Q) and profit expected at 1000 units
.....
.....

49. A particular company is deciding to produce a by product using items remaining after manufacturing rubber products. It is expected that this company will earned an annual profit of Rs 100 000 from these by products for 4 years.

- Cost of the Production machine needed for this purpose - Rs. 300 000
- Fixing cost - Rs. 30 000
- Cost of the initial test run - Rs. 20 000
- Initial Working capital requirement - Rs. 6 000
- Residual value - Rs. 50 000
- 50% of the working capital can be recovered at the end of the project
- It was estimated that the output of the initial test run could be sold for Rs. 20 000

- (i) Initial net cash flow of the project?
- (ii) 4th year net cash flow of this project?

50. Which of the following items should be considered in evaluating cash flows of a project Marking (✓) or (✗) in appropriate column.

A	Expense incurred on feasibility study of the project	
B	Bank loan obtained for the project and relevant interest	
C	Existing working capital	
D	Carrying amount of the existing machine	