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අධ්‍යයන පොදු සහතික පත්‍ර (උසස් පෙළ) විභාගය - 2021 අගෝස්තු  
 கல்விப் பொதுத் தரப்பரப் பத்திர (உயர் தர)ப் பரீட்சை - 2021 ஒகஸ்த்  
 General Certificate of Education (Adv. Level) Exam - August 2021

නව නිර්දේශය  
 புதிய பாடத்திட்டம்  
 New syllabus

கிணுமீதர்ச்சாய I  
 கணக்கீடு I  
 Accounting I

33 E I

One Hour & Thirty Minutes  
 Revision Paper 27

### Instructions:

- \*Select the correct answer for question No: 1- 25 & write its number on the dotted line given.
- \*Write short answer for question No: 26-40 on the dotted line.

Index No:	
Question No	Marks
01-25	
26 -40	
Total	

01.What is the objective of general purpose financial reporting according to the conceptual framework for financial reporting?

- 1) Providing past and future information to owners of an entity to take their decisions
- 2) Providing analytical information to the internal management to take their decisions
- 3) Providing information to present and prospective investors, fund providers and other Creditors to take their decisions
- 4) Recording, classifying and summarizing transactions of a business
- 5) Providing financial information to external parties of a business to take their decisions

(.....)

02.Transaction occurred in a business was recorded in an accounting equation as follows:

Assets	=	Liabilities +	Equity
70,000	=	+	(5,000)
(75,000)			

Which of the following transaction/s disclose the above impact on accounting equation?

- A. Stock cost of Rs.75,000 was sold for Rs.70,000 on credit
- B. Sold a property for Rs.70,000 which has a carrying amount of Rs.75,000
- C. Allowed Rs.5,000 of discount when settling debtors balance of Rs.75,000
- D. Acquisition of an asset worth of Rs.75,000 for Rs.70,000
- E. Purchased of stock worth of Rs.75,000 subject to Rs.5,000 of VAT

- 1) E only
- 2) B and D only
- 3) A,B and D only
- 4) A and B only
- 5) A, B and C only

(.....)

03.Select the answer which shows the correct sequential order of source documents to record the following transactions in order?

- a) Provision for doubtful debts
- b) Owner introduces his personal motor vehicle to the business
- c) Cash sales
- d) Purchased returns

- 1) Journal voucher, sales invoice, debit note, journal voucher
- 2) Journal voucher, journal voucher, receipt, debit note
- 3) Journal voucher, receipt sales invoice, debit note
- 4) Journal voucher, journal voucher, debit note, receipt
- 5) Debit note, journal voucher, receipt, sales invoice

(.....)

**04.** Which of the following concept relates in identifying doubtful debts for the year?

- |   |   |                   |   |   |             |
|---|---|-------------------|---|---|-------------|
| A | - | Money measurement | B | - | Accrual     |
| C | - | Prudence          | D | - | Realization |
| E | - | Matching          |   |   |             |
- 1) A & B                      2) B C & E                      3) A B & C  
4) B C & D                      5) C & E

(.....)

**05.** Which of the following accounting concept is violated, if the business did not disclose bankruptcy of the business through their financial statements

- 1) Periodical concept                      4) Historical cost concept  
2) Going concern concept                      5) Money measurement concept  
3) Accrual concept

(.....)

**06.** A business sold a stock of which the invoice price was Rs. 400 000. Half of this was sold on cash and balance was sold on credit subjected to a trade discount of 10%. Half of these debtors were send money after deducting a 5% discount. Which of the following shows the correct impact for the following after these transactions.

	Cash received (Rs.)	Cash discount (Rs.)
1)	85 500	4 500
2)	265 500	4 500
3)	265 500	24 500
4)	85 500	24 500
5)	18 000	20 000

(.....)

**07.** Following information was extracted from Kumudu's business for the month of May 2019

Bank overdraft as at 31 <sup>st</sup> May 2019 as per bank statement	Rs. 72,000
Direct remittances	Rs. 12,000
Standing order payments	Rs. 24,000
Unpresented cheques	Rs. 54,000

Bank account balance of the business as at 31<sup>st</sup> of May 2019 before adjusting was?

- 1) Debit balance of Rs. 114,000                      3) Credit Balance of Rs. 114,000  
2) Credit Balance of Rs. 30,000                      4) Debit Balance of Rs. 30,000  
5) Credit Balance of Rs. 126,000

(.....)

**08.** Following information relevant for Charuka's business for the ended 31.12.2018

- Increase in stock                      Rs. 50,000  
Drecrease in debtors                      Rs. 120,000  
Cash received from debtors                      Rs. 920,000  
Gross profit percentage on cost is 25%

Value of purchases of Charuka's business for the year ended 31.12.2018 was?

- 1) Rs. 650,000                      2) Rs. 690,000                      3) Rs. 800,000  
4) Rs. 590,000                      5) Rs. 850,000

(.....)

**09.** List of creditor's balance of Rs. 250,000 as at 31.03.2019 of Rahal PLC was not agreed with Creditor's control account balance as at same date. Later following discrepancies were located.

- Total of Purchase return journal Rs. 15,000 was not extracted to creditor's control account
- Opening credit balance of creditors control account was understated by Rs. 4,000
- Credit Purchases of Rs. 22,000 was posted to personal account of creditors as Rs. 13,000

Creditor's control account balance as at 31.03.2019 before correcting errors were ?

- 1) Rs. 270,000                      2) Rs. 250,000                      3) Rs. 273,000  
4) Rs. 265,000                      5) Rs. 274,000

(.....)

10. Following information was extracted from Viduranga PLC for the month ended 31.03.2019.

Description	Unit	Unit cost
Stock as at 01.03.2019	1,000	80
07.03.2019 Purchases	5,000	100
15.03.2019 Purchases	3,000	120
20.03.2019 Sales	8,000	-

Business uses first in first out method in issuing inventories. Net realizable value of unit of inventories as at 31.03.2019 was Rs. 110.

What would be the amount of cost of sales to be disclosed in financial statements for the month ended 31<sup>st</sup> March 2019 and value of closing inventories to be disclosed in financial statements as at 31.03.2019 respectively was

	Cost of sales Rs. 000	Value of stock Rs. 000
1)	820	110
2)	820	120
3)	860	120
4)	860	110
5)	580	120

(.....)

11. Balance extracted from the books of James business as at 01.06.2019 are given below:

	Rs. '000
Property Plant and Equipment (at carrying value)	- 8 000
Debtors (Carrying value)	- 1 800
Provision for doubtful debt	- 200
Inventory	- 500
Bank	- 200
Bank Loan	- 2 700
Equity	- 8 000

Transactions occurred during the month are as follows:

- (1) Cash purchases of Rs. 400 000
- (2) Sold goods worth of Rs. 300 000 for Rs. 500 000 on credit
- (3) Rs. 1 000 000 worth cheques were received from debtors
- (4) Stock worth of Rs. 100 000 has been returned by customers. Invoice price of this stock was Rs. 150 000

Provision for doubtful debts is maintained continuously.

Which of the following shows the impact of provision for doubtful debts after adjusting above transactions in the accounting equation.

No	Current Assets	Equity
1)	65	65
2)	(65)	(65)
3)	115	115
4)	(85)	(85)
5)	(135)	(135)

(.....)

12. The following errors were found after preparation of drafted financial statements

- Rs. 52 000 paid to a creditor has been debited to his account as Rs. 25 000
- Credit purchases of Rs. 35 000 has been recorded as Rs. 3 500
- Discount allowed of Rs. 20 000 has been mistakenly debited to discount received account as Rs. 2 000

What is the impact on profit due to above errors.

- (1) Understatement of Rs. 49 500
- (2) Overstatement of Rs. 49 500
- (3) Understatement of Rs. 76 500
- (4) Understatement of Rs. 8 000
- (5) Understatement of Rs. 22 000

(.....)

13. Following information was extracted from financial statements of Mahaweli PLC.

	31.03.2019 Rs. 000	31.03.2018 Rs. 000
Property , Plant and Equipment (at cost)	3,120	2,400
Accumulated depreciation	720	400

**Additional information**

- Purchased a Land for Rs. 400,000 during the year
- Disposal gain of disposing equipment Rs. 160,000 . Net book value of disposed equipment was Rs. 400,000
- Depreciation amount for the year was Rs. 400,000

Amount to be transferred to revaluation reserve due to revaluation of Noncurrent assets during the year of 2018/19 is?

- 1) Rs. 800,000                      2) Rs. 1,120,000                      3) Rs. 720,000  
4) Rs. 200,000                      5) Rs. 3,200,000                      (.....)

14. Gross salary of Hasalaka PLC for the year ended 31.03.2019 was Rs 1,200,000. The employer and the employee contributions to the EPF are 15% and 10% respectively and Employer contributes 3% to ETF, EPF contribution of employees has been deducted at the time of paying salary to the employee and net salary payment correctly paid to the employees. During the year six months EPF contribution had been settled to the central bank but did not pay any amount to ETF fund. There was no Accrued Salary at the beginning or end of the year.

The salary related expenses for the year ended and salary liabilities as at 31.03.2019 were ?

	Total salary related expenses (Rs. 000)	Salary Liability as at 31.03.2019 (Rs. 000)
1)	1,416	186
2)	1,200	126
3)	1,380	246
4)	1,200	216
5)	1,416	126

(.....)

15. Ran, Redhi and Manik running a partnership by sharing profit and losses in the ratio of 3:2:1. On 31.03.2019 Ran decided to retire from the partnership and adjustment relating to goodwill adjusted through partner's capital accounts. Redhi and Manik decided to continue the partnership.

Following information relevant for the above partnership.

	Redhi (Rs. 000)	Manik (Rs. 000)
Capital accounts balances before adjusting goodwill	800	600
Capital accounts balances after adjusting goodwill	600	500

The total amount of goodwill estimated by the partnership on retirement of Ran was?

- 1) Rs. 900,000                      2) Rs. 1,800,000                      3) Rs. 600,000  
4) Rs. 300,000                      5) Rs. 1,200,000                      (.....)

16. Statement of Financial Position prepared in "Sarana" Death Donation Society as at 01.01.2019 is as follows:

				Rs. '000
Accumulated Fund	-	460	Buildings	- 500
Building fund	-	250	Bank	- 210
Life Membership Fees	-	100		
		<b>710</b>		<b>710</b>

1. The building was extended during the month of January using Rs. 200 000 out of the building fund.
2. 50% of life membership fees should be identified as income during the year 2019
3. Surplus of the Society for the year 2019 was Rs. 60 000

Which of the following shows the correct answers under the given headings after the above transactions:

SR No	Accumulated Fund	Building Fund	Life Membership Fees	Buildings	Bank
1)	460	200	50	500	10
2)	720	50	50	700	10
3)	710	500	150	700	210
4)	520	250	50	700	200
5)	720	700	100	500	260

(.....)

**Use the following information in answering questions No: 17 and 18**

Amith and Sumith are running a partnership sharing profit and losses in the ratio of 3:2. Damith was admitted to that partnership as at 01.04.2018 as a new partner. Damith introduced Rs. 1,500,000 in cash as capital and Goodwill was estimated as Rs.600,000. Goodwill adjusted through partner's capital accounts and new profit sharing ratio of the partnership was 3:2:1 respectively. Annual partner's salary was Rs.150,000 per partner.

Total equity and capital account balance of the partnership as at 31.03.2018 are as follows:

	Amith (Rs. 000)	Sumith (Rs. 000)
Total equity	6,000	4,000
Capital account	5,000	4,500

The amount of cash obtained by Damith as drawings for the year ended 31.03.2019 was Rs.120 000 and his current account balance as at 31.03.2019 was Rs.330 000. Other partners did not obtain any amount of drawings during the financial year of Rs. 2018/2019

17. The profit of the partnership before appropriation of profits for the year ended 31.03.2019

- 1) Rs. 300 000
- 2) Rs. 450 000
- 3) Rs. 2,250 000
- 4) Rs. 325 000
- 5) Rs.1 800 000

(.....)

18. Which of the following answers shows total equity of the partners (Amith, Sumith & Damith) as at 31.03.2019 was?

- 1) Rs. 11 000 000
- 2) Rs. 10 000 000
- 3) Rs. 11 330 000
- 4) Rs. 13 630 000
- 5) Rs. 9 500 000

(.....)

19. Which of the following transaction/need to be identified as adjusting events in accordance with LKAS 10 (events after the reporting period)

- a) - Court has proven debtors as bankrupt
- b) - Court has proven a payment of compensation just after the reporting period
- c) - Board of directors proposed dividend for ordinary share holders
- d) - Stock as at balance sheet date was sold after the balance sheet date for less than its cost

All the above transactions occurred before obtaining approvals for financial statements from the Board of Directors.

Which of the above transactions/can be identified as adjusting events in accordance with LKAS NO: 10?

- 1) All A B C D
- 2) Only A B C
- 3) Only A B D
- 4) A and B only
- 5) Only A C and D

(.....)

20. The following information was relevant for Samayawardena PLC.

	31.03.2019 (Rs. '000)	31.03.2018 (Rs. '000)
Ordinary Share Capital	?	1 000
Revaluation reserve	200	200
General Reserve	200	300
Retained Earnings	470	500

Additional information

- Profit before tax for the year is Rs. 450 000
- Relevant amount of income tax for the year is Rs. 20 000
- Payment of dividend during the year is Rs. 60 000
- Amount transferred to General reserve during the year is Rs. 100 000
- Bonus shares were issued during the year by using retained earnings and general reserve

Value of Bonus share issue was?

- 1) Rs. 130 000      2) Rs. 300 000      3) Rs. 565 000  
4) Rs. 480 000      5) Rs. 500 000

(.....)

21. Which of the following statements is best described the meaning of “Cost unit”

- 1) Place where a product is produced.
- 2) It is a quantitative measurement which is used to measure cost of a product or a service
- 3) it is a cost elements of product or a service
- 4) The amount incurred for purchased of a product
- 5) That is some activity relevant for costing

(.....)

22. Following summarized income statement details of Viduranga PLC relevant for the year ended 31.03.2019.

Description	Rs. 000
Gross Profit	450
Expenses (including Depreciation of Rs. 40,000 and disposal loss of Furniture Rs. 20,000)	180
Income tax expense	70
Profit for the year	200

Following accounts balances were increased for the year ended 31.03.2019.

Description	Rs. 000
Stock	100
Trade receivables	180
Trade Payables	150

Income tax paid during the year was Rs. 60,000

The amount of net cash flow generated from/used in operating activities was?

- 1) Rs. 120,000      2) Rs.140,000      3) Rs. 180,000  
4) Rs. 80,000      5) Rs. 70,000

(.....)

**Use following information to answer questions no 23 and 24**

Following information was extracted from the books of Isuru PLC for the year ended 31.03.2019

Gross profit ratio	30%
Stock turnover ratio	10 times
Gross profit	Rs. 600,000
Total Expenses	Rs. 200,000
Total liabilities as at 31.03.2019	Rs. 800,000
Total assets turnover ratio	0.5



23. Annual Sales Income and net profit ratio of the Company respectively was.  
 1) Rs. 2,000,000 and 20% 2) Rs. 6,000,000 and 30%  
 3) Rs. 4,000,000 and 10% 4) Rs. 900,000 and 15%  
 5) Rs. 1,500,000 and 10%  
 (.....)

24. Total assets and return on owner's equity of the company respectively was  
 1) Rs. 2,000,000 and 12.5% 2) Rs. 3,000,000 and 25%  
 3) Rs. 5,000,000 and 20% 4) Rs. 8,000,000 and 15%  
 5) Rs. 4,000,000 and 12.5%  
 (.....)

25. Following information has been extracted from Dhanuska PLC and relevant for the year ended 31.03.2019

	Rs. '000
Sales	Rs. 1 000
Expenses	Rs. 500
Revaluation surplus on motor vehicle	Rs. 200
Gain on disposal of Machine	Rs. 300
Trade discount received from suppliers	Rs. 100

Revaluation loss of Rs. 150 000 was recorded for Motor Vehicle for the year ended 31.03.2018.

Total income and retained earnings of the company for the year ended 31.03.2019 respectively is?

	Total Income (Rs.)	Retained Earnings (Rs.)
1)	1 500 000	950 000
2)	1 450 000	950 000
3)	1 600 000	900 000
4)	1 600 000	1 050 000
5)	1 600 000	950 000

(.....)

**Write short answers for question No: 26 to 40 on the dotted line**

26. Following information has been extracted from Anil PLC and relevant for the month of March 2019.

Increase in work in progress stock (valued at prime cost)	Rs.	300,000
Decrease in finished stock	Rs.	100,000
Used direct materials costs	Rs.	300,000
Direct labour	Rs.	200,000
Production overhead cost	Rs.	200,000

Required to calculate following for the month end on 31<sup>st</sup> March 2019

- a) Prime cost .....  
 b) Cost of sales .....

27. State whether following transactions effect to increase/decrease or no change of following elements of accounting equation.

Transaction	Asset	Liability	Equity
1 Bad debts written off of Rs. 50,000			
2 Paid loan installments of Rs. 80,000 loan interest included in the installment is Rs. 30,000			
3 Proposed dividends of Rs. 1180,000 for ordinary shares holders			
4 Issue of Ordinary shares of Rs. 450,000			

28. State following in accordance with conceptual framework for financial reporting

- i) Elements which disclosed financial performance of a business  
 .....  
 ii) Elements which disclosed financial position of a business  
 .....

29. Following information has been extracted from the creditor's control account of Amal PLC. State the missing figures in the table.

Creditor	Opening balance	Credit Purchases	Paid to Creditors	Discount received	Purchase Return	Ending Balance
Amal	160	.....	600	40	20	150
Kamal	80	1,600	1,000	60	40	.....

30. The trial balance prepared by Avin PLC as at 31 March 2019, was not agreed. Later following errors and omissions were noticed.
- Salary account balance of Rs. 120,000 was not extracted to Trial Balance
  - Sales returns of Rs. 5,000 was credited to Purchase returns.
  - Total of sales journal Rs. 500,000 was not extracted to Genereal Ledger

After rectifying above errors, balance in suspense account setoff. Prepare suspense account

Suspense Account

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31. State the violated accounting CONCEPT regards to the following each occasions

	Occasion	Violated Accounting Concept
(i)	Value of an assets acquired under a finance lease has not been recorded under Non-current assets	.....
(ii)	Assets have not been classified as current and non-current in the financial statements	.....
(iii)	Recording owners personal expenses as businesses expense	.....
(iv)	Not maiming an account for provision for doubtful debts	.....

32. Hiru, Sandu, Tharu running a Partnership business by sharing profit and losses in the ratio of 3:2:1 respectively. Following are the some account balance as at 01.01.2018 and provisions included in partnership agreement.

**Rs. 000**

	Hiru	Sandu	Tharu
Capital Accounts	300	200	100
Current Accounts	(50)	40	30

- Annual salary of a Partner is Rs 60,000
- Maximum drawings can be obtained by partner is Rs. 40,000

**Additional information**

- Net profit for the year ended 31.12.2018 was rs. 600,000
- Hiru, Sandu and Tharu obtained Rs. 30,000 and Rs. 25,000 and Rs. 20,000 as drawing respectively.
- Tharu withdrew Rs. 20,000 of salary from the partnership

Tharu retired from the partnership as at 31.12.2018 and agreed to transfer his equity contribution into Loan account. State the journal entry to transfer equity into loan account.(with values)

.....  
 .....



**33.** State the relevant double entries to record following transactions. If double entry is not required state the reason.

i) According to the stock records cost of closing finished stock as at 31.03.2019 was Rs. 500,000. Later indentified that Rs. 75,000 worth of stock had been destroyed during the year. State the journal entry to record closing stock and destroyed stock.

- a) .....  
 .....  
 b) .....  
 .....

ii ) Malindu limited entered to an agreement for providing services to another business organization and expect to earn an income of Rs. 75,000. State the journal entry

.....  
 .....

**34.** Cost of closing stock of business engaged in selling mobile phones as at 31.03.2019 was Rs. 500,000. Net realizable value as at same date was Rs. 600,000. Due to decrease in demand this stock sold for Rs. 400,000 as at 25.05.2017 by incurring selling expenses of Rs. 30,000. Company presents these financial statements to the board of directors on 20.05.2019 and they approved it on 30.05.2017.State the amount to be disclosed as closing stock in financial statement as at 31.03.2019 .....

**35.** Indicate whether the following statements relating to accounting in a firm are true or false.

i	Depreciation method and estimated residual value is to be considered in calculating depreciable value of the assets	.....
ii	All the business organizations need not to follow provision included in accounting standards	.....
iii	Reimbursing specific amount of cash at the end of specific time period is known as petty cash imprest system	.....
iv	Section No: 24 of partnership act is relevant for retirement of a partner when partnership agreement is silent	.....

**36.** State two occasions where accounting records can be maintained without considering historical cost concept.

- i) .....  
 ii) .....

**37.** State the effect on Equity and Working capital as increase, decrease or no change in relavent to following transactions and events.

		<b>Equity</b>	<b>Working Capital</b>
i	Capitalization of reserves	.....	.....
ii	Payment of dividend	.....	.....
iii	Right share issues	.....	.....
iv	Transfer to general reserve	.....	.....

38. Rs. 1,000,000 worth of land was revalued for the first time and recorded revaluation loss of Rs. 200,000 as at 31.03.2018. Same land was revalued for the second time on 31.03.2019 for Rs. 1,200,000.  
State the journal entry to record revaluation of land as at 31.03.2019.

.....  
 .....  
 .....

39. State two differences between provision and contingent liabilities in accordance with LKAS 37.

i) .....  
 .....  
 ii) .....  
 .....

40. Following information was extracted from Nishani's company

	Rs. 000
Profit before tax	600
Income tax for the year	100
Total assets	2,000
Stated ordinary share capital	1,300
10% Bank loan	500
General Reserve	200

**Calculate**

- i) Return on total Assets Ratio .....  
 ii) Return on Owner's Equity.....