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

නව නිර්දේශය
 புதிய பாடத்திட்டம்
 New syllabus

ගිණුම්කරණය I
 கணக்கீடு I
 Accounting I

33 E I

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 ஒரு மணித்தியாலங்கள்
 One Hour

Instructions:

- *Select the correct answer for question No: 1- 15 & write its number on the dotted line given.
- *Answer all questions in Part II - Relevant workings should be attached to the answer script

Paper No 11

PART I

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

$$\begin{array}{rcl} \text{Assets} & = & \text{Equity} + \text{Liabilities} \\ 800\,000 & = & 700\,000 + 100\,000 \end{array}$$

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?

$$\begin{array}{rcl} \text{Assets} & = & \text{Equity} + \text{Liabilities} \\ & & \text{(Rs. '000)} \end{array}$$

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	Debtors control	Rs.285 000
5) Discount allowed	Rs.570 000	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

(.....)

WRITE SHORT ANSWERS ON THE DOTTED LINES FOR THE QUESTION NO 11 TO 15

11. 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

12. 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:

.....

13. 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

.....

14. 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. Depreciation of property, plant and equipment
D. Recording of income receivable and received in advance

15. 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

.....

(Total marks 45)

PART II

01. The trial balance of Ramesh and Company as on 31st March 2020 did not agree. The company transfers the difference to suspense account and prepared its financial statement showing a net profit of Rs. 170,000

The following errors were discovered during the audit and the balance in the suspense account was eliminated after the correction of errors.

- Sales Journal has been overstated by Rs. 20 000
- Advertising expenses of Rs. 42,000 had been entered in the cash book, but it was not recorded in advertising account.
- Sundry income received in cash amounting to Rs. 15,000 had been debited to sundry expense account as Rs. 1,500
- The total of discount allowed column of Rs.12,600 had not been recorded in discount allowed account but correctly recorded in debtors Control account.
- Motor vehicle repair expense of Rs. 18 000 had been debited to the motor vehicles account.
- Sales return Rs.3,000 has been credited to purchase return account.

From the above details you are required to prepare

- Journal entries to rectify above errors
- Suspense account
- The statement showing the correct net profit

(25 Marks)

(02) Jeewaka is a whole seller. He has prepared the income statement for the year ended 31.03.2020 and the profit shown in the income statement was Rs.750 000. The followings has not been considered when preparing financial statements.

1. A bank loan of Rs. 500 000 was obtained on 30.09.2019 and the annual interest rate is 10%. The interest has not been paid.
2. Bad debts written off Rs. 25 000 in the previous year was recovered during this year.
3. Owners personal insurance of Rs.30 000 and business insurance Rs.50 000 and insurance payable for the previous year Rs. 10 000 were paid by business money.
4. Jeevaka's personal goods donations Rs.15 000 has been recorded as businesses donations.
5. Furniture worth Rs. 50 000 purchased on 01.04.2019 has been recorded as Rs. 500 000. The depreciation rate is 10% and depreciation has been recorded.
6. A debtor's balance of Rs. 45 000 has been set off to a creditors balance of Rs. 55 000 and the difference was considered as a discount.

Required

1. Enter the effect of above transactions in to the following accounting equation with values.

Transaction No	Non-current assets	Current Assets	Equity	Non-current Liabilities	Current Liabilities

2. Statement showing correct net profit.

(15 Marks)