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

නව නිර්දේශය  
 புதிய பாடத்திட்டம்  
 New syllabus

கிணுமீதர்ணாய I  
 கணக்கீடு I  
 Accounting I

33 E I

One Hour & Thirty Minutes  
 Revision Paper 28

#### Instructions:

- \*Select the correct answer for question No: 1- 25 & write its number on the dotted line given.
- \*Write short answer for question No: 26-35 on the dotted line.

Index No:	
Question No	Marks
01-25	
26 -35	
Total	

01. Which of the following is considered as a management accounting information?

- (1) Is there possible to increase employee's salary?
- (2) Is there better position to perform guaranteed liability?
- (3) Is there adequate returns for the investment?
- (4) What are the decisions and planning's for the future developments?
- (5) Are the financial statements given to needed organizations?

(.....)

02. According to the conceptual framework for the financial reporting, which is not an enhance qualitative characteristic of a financial information?

- (1) Timeliness
- (2) Comparability
- (3) Verifiability
- (4) Understandability
- (5) Faithful representation

(.....)

03. In the statement of financial position of a business, the stationery equipment used to be recorded under current assets and office equipment should be recorded as non-current assets based on which accounting concept

- (1) Accrued concept
- (2) Going concern concept
- (3) Cost concept
- (4) Prudence concept
- (5) Business entity concept

(.....)

04. Following statements are provided for your consideration?

A-Historical cost concept indicates that the items in financial statements are initially measured at their market value

B-Realization concept indicates that all assets and liabilities are disclosed in financial statements only after realization.

C-Prudence concept indicates that over stating of assets and understanding of liabilities are appropriate for the business.

According to above statements

- (1) A B are correct and C incorrect
- (2) All statements are incorrect
- (3) All statements are correct
- (4) B is correct and A C are incorrect
- (5) A and C are correct

(.....)

**05.** Which of the following answer shows correct sequential order of source documents to record following transactions of furniture shop? (Assume all purchases are made on credit basis)

- (A) - Purchased of furniture items with the intension of reselling on credit
- (B) - Purchased timber on credit
- (C) - Purchase return of furniture purchased during the year
- (D) - Discount allowed to debtors

- (1) Purchase Invoice, Purchase Invoice, Debit Note, Receipt
- (2) Payment voucher, Purchase Invoice, Debit Note, Journal Voucher
- (3) Purchase Invoice, Purchase Invoice, Journal Voucher, Receipt
- (4) Journal Voucher, Purchase Invoice, Journal Voucher, Receipt
- (5) Journal Voucher, Purchase Invoice, Debit note, Journal Voucher

(.....)

**06** Renuka PLC bought a machine on credit basis Rs. 600 000 on 01.10.2019. The machine is depreciated on straight line method at 10% per annum. The net effect of this transaction on assets liabilities and equity as at 31.03.2020 to the accounting equation is:

	Assets (Rs.)	Liabilities (Rs.)	Equity (Rs.)
(1)	540 000	540 000	-
(2)	540 000	570 000	(30 000)
(3)	570 000	600 000	(30 000)
(4)	570 000	540 000	30 000
(5)	600 000	600 000	-

(.....)

**07.** A business having principle of allocating doubtful debt provision as 10% had a debtors control balance of Rs. 500 000 as at 31.03.2020. Opening balance of doubtful debt provision was Rs. 50 000 as at 01.04.2019. After writing off Rs.50,000 as bad debts, 10% provision should be made from the remaining balance as at 31.03.2020. what is the correct effect to the accounting equation.

- 1) Assets will be reduced by Rs. 5 000 and equity will be increased by Rs. 5 000
- 2) Equity will be reduced by Rs. 5 000 and assets will be reduced by Rs. 5 000
- 3) Equity will be reduced by Rs. 4 500 and assets will be reduced by Rs. 4 500
- 4) Assets will be reduced by Rs. 45 000 and equity will be reduced by Rs. 45 000
- 5) Assets will be reduced by Rs. 50 000 and Equity will be reduced by Rs. 45 000

(.....)

**08.** From the following statements, which statement/s is/are correct regarding the debtors control accounts balance?

- A - Due to the sales return, the balance will be reduced
- B - Due to the subsequent receipt of bad debts, the balance will be increased
- C - Due to the year end doubtful debt provision, the balance will be reduced
- D - Due to the dishonored cheques which received from the debtors, the balance will be increased

- 1. A only
- 2. A & B only
- 3. A & D only
- 4. A C & D only
- 5. All A B C & D

(.....)

**09.** The balance of the bank account of certain business is lower than the balance of the bank statement as at 31.03.2020. What is the reason for such situation?

- 1) Deposited but unrealized cheques
- 2) Unrecorded loan installments and interests in bank account
- 3) Unrecorded deposited dishonored cheques in the bank account
- 4) Bank charges recorded in bank statement
- 5) Cheques issued but not presented

(.....)

10. The balance of the debtors control account of Sisira pLC was Rs. 520 000 as at 31.03.2020. The total of the debtors balances as per the debtors ledger was different to it. The subsequent investigation revealed the following

- Return inward Rs. 20 000 was not recorded in the return inward journal
- The total amount of the sales journal Rs. 52 000 has been recorded in debtors control account as Rs. 25 000
- Cash received from a debtor Rs. 30 000 has been recorded twice in the relevant debtors account

The correct balance in the debtors control account as at 31.03.2020 is:

- (1) Rs.527 000      (2) Rs. 540 000      (3) Rs.565 000      (4) Rs.592 000      (5) Rs. 622 000  
(.....)

**Refer the following information for Question No: 11 & 12**

The following errors have been occurred in a company while maintaining accounts for the years 2019/2020

- Bad debts written off Rs. 20 000 has been credited to bad debts account
- Credit note worth Rs. 31 000 has been omitted from books
- Debtors control account balance of Rs. 42 000 has been inserted to debit column of the trial balance as Rs. 24 000

11. What is the balance of the suspense account before correcting the above errors?

- 1) 24,000 Debit      2) 26,000 Debit      3) 26,000 Credit  
4) 46,000 Credit      5) 58,000 Debit

(.....)

12. If the draft profit was Rs. 250 000 before correcting the errors, what is the corrected profit ?

- 1) 179,000      2) 189,000      3) 210,000      4) 219,000      5) 269,000

(.....)

**The following information is relevant for question number 13 & 14**

The following details have been given regarding the stocks of a company for March 2020

Date	Balance	Quantity (Units)	Cost per unit (Rs.)
1/3/2020	Balance	100	200
12/3/2020	Purchase	500	300
13/3/2020	Purchase return	100	?
25/3/2020	Sales	?	?
31/3/2020	Balance	100	?

(.....)

13. According to LKAS 02 (Inventories) what is the cost of sales as per the first in first out method and weighted average method?

	First in first out method (Rs. '000)	Weighted Average method (Rs. '000)
1)	80	110
2)	100	112
3)	110	112
4)	120	113
5)	120	123

(.....)

14. If the selling price per unit is Rs. 400 and the stocks have been issued as per the weighted average method, what is the cost of remaining stocks and the profit for the month of March? (Rs. '000)

	Cost of the remaining Stocks (Rs. '000)	Profit of the month of March (Rs. '000)
1)	20	47
2)	23.3	47
3)	33.3	48
4)	28	48
5)	30	33

(.....)

Following information is relevant for question number 15 & 16

The current account balance of Akila and Rangana Partnership are given below (Rs. '000).

Partner	31.03.2020	01.04.2019
Akila	1 220	600
Rangana	850	400

**Additional Information**

- Both the partners are entitled to receive Rs. 100 000 per annum as interest on capital
- Drawings by Akila Rs. 80 000 and drawings by Rangana Rs. 50 000

15. What is the profit earned of the business as at 31.03.2020 and the distributed profit to Akila?

	Profit for the year (Rs. '000)	Distributed Profit (Rs. '000)
1)	620	400
2)	700	500
3)	1 070	600
4)	1 200	500
5)	1 200	700

(.....)

16. What is the profit portion of Rangana and the profit sharing ratio of the partnership?

	Profit Portion of Rangana (Rs. '000)	Profit sharing Ratio (Rs. '000)
1)	400	1:1
2)	400	3:2
3)	450	2:1
4)	450	3:2
5)	500	3:2

(.....)

17. . Following information has been extracted from the financial statements of **Senesh PLC**

	Rs.
Profit before tax for the year 2018/2019	320 000
Provision for income tax for the year 2017/2018	78 000
Income tax paid during the year 2018/2019 (including payable for 2017/2018)	115 000
Income tax paid for the year 2017/2018	80 000
Income tax for the year ended 31 <sup>st</sup> March 2019 was estimated as 1/4 of profit before tax.	

What is the income tax expense for the year 2018/2019 and the income tax liability as at 31.03.2019?

	<b>Income tax expense (Rs.)</b>	<b>Income tax liability (Rs.)</b>
(1)	78 000	47 000
(2)	78 000	45 000
(3)	82 000	45 000
(4)	82 000	43 000
(5)	80 000	47 000

(.....)

18. Following information relevant for the year ended 31.03.2020 of Vinus PLC.

Profit for the year	Rs.	1 800 000
Income Tax	Rs.	100 000
Income Tax payment	Rs.	80 000
Interest Expenses	Rs.	350 000
Interest paid	Rs.	300 000
Increase in current assets (except cash)	Rs.	400 000
Increase in current Liabilities (except accrued income tax and interest)	Rs.	200 000
Depreciation	Rs.	250 000

Net Cash flow generated from operating activities of the company for the year ended 31.03.2020 was?

- 1) Rs. 1 820 000                      2) Rs. 1 920 000                      3) Rs. 1 800 000  
4) Rs 1 970 000                      5) Rs. 2 900 000

(.....)

19. Orange PLC financial statements for the year ending 31.03.2020 were authorized by its directors on 30.06.2020. During the period between 01.04.2020 and 30.06.2020 the following transactions and events took place in the company

- Stock cost of Rs. 30 000 was sold for Rs. 10 000 on 05.04.2020. This stock was available in the business as at 31.03.2020.
- Loss of Rs. 50 000 was reported on 02.05.2020 due to decline in the value of short term investments owing to a drop in the market prices
- Bankruptcy of a debtors On 14.04.2020 who owed Rs. 15 000 as at the balance sheet date.
- Destroyed a machine cost of Rs. 300 000 due to a fire occurred on 01.06.2020

What would be the effect of profit due to adjusting above events in accordance with LKAS No: 10?

- (1) Decrease of Rs. 10 000  
(2) Decrease of Rs. 20 000  
(3) Decrease of Rs. 35 000  
(4) Decrease of Rs. 85 000  
(5) Decrease of Rs. 385 000

(.....)

Following information is relevant for question number 20 & 21

<b>Particulars</b>	<b>(Rs. '000)</b>
Sales	3 200
Discounts received	200
Cost of Sales	1 100
Sale of Machinery(NBV as at date of sale 2200)	2 000
Revaluation loss : Motor Vehicle	180
Revaluation Surplus : Land	120
Other Operating Expenses	400

Motor vehicles have been revalued on 31.03.2020 for the first time and revaluation loss of Rs. 40 000 has been accounted for lands for the year ended 31.03.2019.

20. What is total income and total expenses for the years ended 31.03.2020?

	<b>Total Income (Rs. '000)</b>	<b>Total Expenses (Rs.'000)</b>
1	2 200	1 100
2	2 320	1 240
3	3 520	1 280
4	3 520	1 880
5	5 320	1 880

(.....)

21. What is the profit for the year ended 31.03.2020 and the total comprehensive income (Rs. '000)

	<b>Profit for the year (Rs. '000)</b>	<b>Total Comprehensive Income (Rs.'000)</b>
1	1 440	1 560
2	1 560	1 620
3	1 560	1 640
4	1 740	1 780
5	1 820	2 000

(.....)

22. Following information of a business has been provided regarding to a material called "M1"

- Per unit cost - Rs. 20
- Cost of one order - Rs. 40
- Holding cost per unit per annum - Rs. 3
- Economic Order Quantity - 400 units

What is the monthly consumption of this material M1?

- 1) 300                      2) 400                      3) 500                      4) 600                      5) 700

(.....)

23. Current ratio and Quick ratio of Lily PLC is 1.8:1 and 0.9: 1 respectively. If the business sold goods on credit with a profit while keeping other factors remain constant, what is the impact on following ratios?

	<b>Current Ratio</b>	<b>Quick Ratio</b>
(1)	Increase	Increase
(2)	Increase	Decrease
(3)	Decrease	Decrease
(4)	Decrease	Increase
(5)	No change	No change

(.....)

24. Finished goods stock of Dulaj business as at 01.04.2019 was Rs. 72 000 and it consists of 240 units. Manufacturing cost for the year ended 31.03.2020 was Rs. 858 000 (Production during the year was 3 300 units). Policy of the business to maintained 20% gross profit margin on sales. Value of closing finished goods stock to be shown in the statement of financial position as at 31.03.2020 was Rs. 65 000.

What would be the gross profit of the business for the year ended 31.03.2020?

- 1) Rs. 173 000                      2) Rs. 216 250                      3) Rs. 232 500  
4) Rs. 238 750                      5) Rs. 199 000

(.....)

25. A company has a stock of Rs. 100 000 as at 31.03.2019. Inventory item costing Rs. 10 000 in above stock has been damaged. It is estimated that the damaged stock can be sold for Rs. 5 000 after incurring selling expense of Rs. 1 000.

What is the value of stock should be recorded in statement of financial position as at 31.03.2019?

- (1) Rs. 90 000                      (2) Rs. 94 000                      (3) Rs. 95 000  
(4) Rs. 96 000                      (5) Rs. 100 000

(.....)

**Write short answers for question No: 26 to 35 on the dotted line**

**26.** State the accounting concept that is most suitable in relevant to following transactions and events of a manufacturing business

	<b>Transaction or Event</b>	<b>Accounting Concept</b>
i)	Recording lower of cost or net realizable value of closing raw material stock	.....
ii)	Identifying machinery depreciation as production overheads in manufacturing account	.....
iii)	Preparation of a manufacturing account for each accounting period	.....
iv)	Recognition of an advance received from a customer before delivery of goods as a liability	.....

**Use the following information to answer question number 27 and 28**

Equity account balances of Supun, Himesh and Navin partnership as at 01.04.2019 is as follows. They share profits and losses in the ratio of 3:2:2

	<b>Supun (Rs.)</b>	<b>Himesh (Rs.)</b>	<b>Navin (Rs.)</b>
Capital Accounts	2 000 000	1 500 000	1 200 000
Current Accounts	385 000	370 000	365 000

Following are the provisions included in partnership agreement

- Monthly salary of a partner is Rs. 5 000
- 10% interest paid based on opening capital account balances of partners
- 10% interest paid on partners loan to the partnership
- Net profit of the partnership for the year ended 31.03.2020 is Rs. 1 000 000. Rs. 300 000 of loan provided by Navin to the partnership and interest has been accounted correctly.
- Monthly cash drawings of partners
 

Supun	Rs.	5 000
Himesh	Rs.	6 000
Navin	Rs.	8 000
- Himesh has been retired on 31.03.2020 and estimated goodwill on retirement of Himesh is Rs. 350 000
- Rs. 800 000 has been paid to Himesh on 31.12.2020 and balance agreed to keep as a loan in the business. Remaining partners agreed to share profits and losses equally

**27.** State current account balances of following partners as at 31.03.2020

- a) Supun .....
- b) Navin .....

**28.** State capital account balances of Supun and Navin and loan account balance of Himesh as at 31.03.2020

- a) Supun .....
- b) Navin .....
- c) Himesh loan account balance .....



**29.** Following information is relevant for a Public Limited Company

1. 30 000 shares have been issued for Rs. 100 each but received cash for 40 000 shares on 01.04.2019 at once. Thereafter, those were rejected and sent back while the rest has been allocated proportionately
2. Total comprehensive income and the re-valuation reserve were Rs. 1 800 000 and Rs. 800 000 respectively

**I.** Share issue Account

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

**II.** Journal Entry to Allotment of shares

.....  
 .....

**III.** Statement of changes in equity as at 31.03.2020

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

**30.** State whether the following items give an increase, decrease or no change in relation to the change in equity of the relevant organization

	Item	Partnership	Limited Company
1	Payment of partners wages	.....	.....
2	Adjusting goodwill through capital account	.....	.....
3	Right issue of shares	.....	.....
4	Proposed dividend of ordinary share holders	.....	.....

**31.** State the purpose of issuing following source documents in a manufacturing organization

	Source Document	Purpose
1	Material Requisition Note	.....
2	Purchase Requisition Note	.....
3	Goods received Note	.....
4	Purchase Order	.....

**32.** According to LKAS 8 (Accounting policies, changes in accounting estimates and errors) which situation represent the changes in accounting policies of a limited company

	Situation	Changes in Accounting Policies Yes/No
A	Changed the Percentage of provision for Doubtful debts on the balance of the year end debtors	
B	Changed the method of evaluation of inventories from FIFO to WAC	
C	Changed the useful life time of Motor vehicle from 10 years to 8 years	
D	Recording the value of PPE on cost model for last years and from the current year records on revaluation model	



33. Following information is extracted from Mahendra's fresh juice manufacturing business.

- Ordering period 2 to 5 days
- Maximum consumption per day 400 Kg
- Reorder quantity 1 000 units
- Maximum stock level 2 400 units

How much the minimum usage per day? .....

34. Arunalu Pvt Limited has acquired an asset on 01.04.2019 on lease terms and the details are given below:

**Rs. '000**

Fair value	785 000
Down payment value	185 000
Lease installment amount	200 000
Lease term	4 years
Implied interest rate is 10%	

I How much the lease interest at the end of first year?.....

II Show the lease liability at the end of first year as current and noncurrent?

.....  
.....

35. State whether the following statements are true or false in regarding the calculation of accounting ratios of a limited company

1. If the stock turnover ratio is increased, liquidity is increased.....
2. Due to new share issues, debt to equity ratio is decreased.....
3. If the interest coverage ratio is reduced, the ability to pay interest is reduced.....
4. If the total asset turnover ratio is reduced, asset efficiency is increased.....

**( Marks 100)**