

MARKING SCHEME - REVISION PAPER 05

PART I

- | | |
|-------------|--------------|
| 1) 4 | 6) 5 |
| 2) 5 | 7) 3 |
| 3) 2 | 8) 5 |
| 4) 2 | 9) 3 |
| 5) 2 | 10) 2 |

11)

	Asset	Liability	Equity
1	-	Decrease	Increase
2	Decrease	-	Decrease
3	Decrease	Decrease	-
4	Increase	Increase	-

12) Rs. 2 600

- 13) a) Rs. 680 000
b) Rs. 670 000

- 14) i) No impact
ii) Has an impact
iii) No impact
iv) No impact

- 15) a) Going concern
b) Periodicity
c) Accrual
d) substance overform

(3x15)
(45 Marks)

PART II

Question 01

Transact ion No.	Assets				Liabilities		Equity	
	PPE	Inventory	Trade Receivables	Cash	Trade Payables	Other Payables	Capital	Retained Earnings
1. ②	+180			+600			+780	
2. ②		+300		-300				
3. ②		-100		+150				+50
4. ②		-150	+200					+50
5. ②		+400			+400			
6. ②		-300	+280					-20
7. ②			-200	+200				
8. ②		-150	+120					-30
9. ②				-75				-75
10. ②				-30		+10		-40
11. ②			-280	+270				-10
12. ②				-400	-400			

2)

Statement of Profit or Loss		(Rs. '000)
Sales		750
(-) Cost of Sales		(700)
Gross Profit		50
(+) Other Income		
(-) Other Expenses		
Discount Allowed	10	
Office expenses ①	40	
Salaries	75	
		(125)
Net Profit		(75) ①

$$\begin{array}{rclclclcl}
 3) P & = & NA_1 & - & NA_0 & + & D & - & AC \\
 & = & 705 & - & 780 & + & 0 & - & 0 \\
 & = & (75) & \textcircled{2} & & & & &
 \end{array}$$

(Total marks 30)

Question 02

1)

General Journal				Rs.(000)	
Date		Description	J/E	Dr	Cr.
	i	Debtors control Dr.		1 800	
		Discount allowed			1 800
		(correction of Discount allowed) ②			
	ii	Sales Dr.		20 000	
		Suspense			20 000
		(correction of Sales account) ②			
	iii	Creditors control Dr.		65 000	
		Salaries Dr		15 000	
		Suspense			80 000
		(correction of salaries and creditors control) ②			

Profit correction Statement

Incorrect net profit		300 000
(+) Discount allowed ②	1 800	1 800
		301 800
(-) Sales ②	20 000	
Salaries ②	15 000	(35 000)
Corrected net profit		266 800

3)

Statement of Financial Position**(Rs. '000)**

<u>Non Current Assets</u>		
Property Plant and Equipment		600 000
<u>Current Assets</u>		
Inventory	240 000	
Trade Receivables ①	111 800	
Cash	280 000	631 800
Total Assets		1 231 800
<u>Equity and Liabilities</u>		
Capital	800 000	
(+) Net Profit ①	266 800	1 066 800
<u>Non-Current Liabilities</u>		
		-
<u>Current Liabilities</u>		
Trade Payables ①	165 000	165 000
Total equity and Liabilities		1 231 800

(Total marks 15)