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 கல்விப் பொதுத் தரப்பரப் பத்திர (உயர் தர)ப் பரீட்சை - 2021 ஓசஸ்ற்
 General Certificate of Education (Adv. Level) Exam - August 2021

නව නිර්දේශය
 புதிய பாடத்திட்டம்
 New syllabus

கிணக்கு I
 கணக்கீடு I
 Accounting I

33 E I

One Hour & Thirty Minutes

Instructions:

Just 10 Weeks more

- *Answer all questions in Part II - Relevant workings should be attached to the answer script
- *Relevant workings should be attached with the answer script

Paper No 35

PART II

01. The trial balance of Carder PLC is given below as at 31.03.2021.

Description	Dr. (Rs. '000)	Cr. (Rs.'000)
Property, Plant and Equipment cost/revalued value	15 000	
Stock as at 01.04.2020	1 800	
Purchases	8 500	
Trade receivables	3 500	
Rent on building	720	
3 months treasury bills at 10%(invested 01.02.2021)	1 200	
Salaries for employees	810	
Lease interest	465	
Rates & Insurance	60	
Fuel for motor vehicle & Maintenance cost	80	
Electricity & Telephone expense	320	
Sales commission	52	
Bank balance	512	
Sales		15 700
Stated capital of ordinary shares as at 01.04.2020		10 000
General reserve		1 500
Retained earnings as at 01.04.2020		944
Lease creditors		1 200
Trade payables		1 535
(PPE) Accumulated depreciation as at 01.04.2020		1 740
Provision for doubtful debts as at 01.04.2020		400
	33 019	33 019

Additional Information:

Adjustments are need to be done for the following before preparing the financial statements for the year ended 31.03.2021.

- The cost of the closing stock & its net realizable value as at 31.03.2021 was Rs. 1 500 000 & Rs. 1 600 000 respectively. However, on 01.05.2021 the entire stock was sold for Rs. 1 450 000. Directors approved the financial statements of the company on 30.05.2021.

- (ii) The composition of property, plant, equipment & other information are given below

Assets	Cost/Fair Value as at 31.03.2021 (Rs. '000)	Accumulated Depreciation as at 01.04.2020 (Rs. '000)
Land	8 000	-
Administration Building (Before revaluation)	5 000	1 500
Delivery vehicles	1 200	-
Furniture & Office equipment	800	240
	15 000	1 740

- The administration building, furniture & office equipment are depreciated on cost at 10% on the straight line basis.
- (iii) The land has been bought in 2018 at cost of Rs. 8 500 000. In 2019 a professional valuer has revalued it for the first time for Rs. 8 000 000 on 31.03.2021 this land has been again revalued for Rs.10 000 000.
- (iv) The administration building has been revalued for the first time on 31.03.2021 for Rs.3 400 000
- (v) The delivery van shown under property plant & equipment has been acquired on 01.04.2020 under a finance lease. The lease term is 4 years where as the economic useful life of it is 5 years. The lessee will not transfer ownership of the asset at the end of the lease period. No down payment has been made & the annual installment paid has been debited to lease interest Account. The lease interest for the 4 years as follows:

Year	Interest (Rs. '000)
2020/2021	240
2021/2022	195
2022/2023	145
2023/2024	80

- (vi) Treasury bills have been purchased on 01.02.2021.
- (vii) The rent on building shows the annual rental to operate the show room & the stores. This has been rented on 01.10.2020. Also, rates & Insurance of Rs. 80 000 was accrued for the quarter ending 31.03.2021
- (viii) The contribution for EPF from the employee & the employer are 10% & 15% respectively. Contribution for ETF is 3%. There is neither provision nor a payment has been made relating to EPF & ETF, Employee salaries show the values after deducting the relevant EPF contribution of the employee.
- (ix) The interest on the treasury bills have been accrued.
- (x) It is decided to write off Rs. 80 000 as bad debts from the year end trade receivable balance and to provide 10% provision for doubtful debts from the balance trade receivable value.
- (xi) The income tax for the current year has been estimated as $\frac{1}{4}^{\text{th}}$ from the profit before tax. Neither a provision nor a payment has been made in this regard.
- (xii) Board of directors has been taken following decisions as at 31.03.2021
- Transfer Rs. 500 000 from retained earnings to general reserve
 - Pay a dividend of Rs. 600 000

Required:

Published financial statement for **Carder PLC** as per LKAS 01 (Presentation of financial statements)

- Profit/Loss and other comprehensive income statement for the year ending 31.03.2021
- Statement of changes in equity for the year ended 31.03.2021
- Statement of Financial Position as at 31.03.2021

(40 Marks)

02) Sumaga Education Institute is intending to conduct a two days seminar for students and it is expected that 200 students will be participated. It is expected to charge Rs.1 000 from a student for two days and estimated expenses are as follows:

	Rs.
Expected expense per student	
Lunch and tea for a day	- 100
A file for two days	- 40
A CD for two days	- 60
Rent for building per day	- 15 000

Other expected expenses relevant to the seminar for two days as follows:

	Rs.
Electricity and A/C expenses	- 8 000
Hall arrangement expenses	- 3 000
Sounds arrangement expenses	- 4 000
Allowance for resource person	- 60 000

Required:

1. Calculate the number of students should be participate to cover the expected cost for the seminar
2. What is the amount of profit, if 200 students are participate for seminar
3. In order to earn Rs. 56 000 profit, calculate the number of students should be participated for the seminar
4. If the student participation will be increased by 50 students, determine the incremental amount of profit.

(10 Marks)

03. The following information related to Sadun's business as at 30.06.2021, which has not followed the double entry system to record transactions

1. Assets and Liabilities	2020.06.30 (Rs.)	2021.06.30 (Rs.)
Cash	- 80 000	35 000
Inventory	- 35 000	48 000
Trade debtors	- ?	50 000
Trade creditors	- 30 000	14 000
Property, Plant and Equipment (Cost)	- 150 000	?

2. Some of the transactions occurred during the year ending 30.06.2021 are as follows

	Rs.
Cash received from trade debtors	- 223 000
Discounts allowed	- 7 000
Wages paid	- 19 000
Other operating expenses	- 18 000
Cash drawings	- 5 000
Cash paid to creditors	- 280 000
Discount received	- 4 000

Additional Information:

- (i) Both cash and credit sales have been made at a 20% profit margin on sales. There are no cash receipts except cash sales and receipts from debtors.
- (ii) Wages of Rs.8 000 for the month of June 2021 have not been paid
- (iii) It has been decided to provide 5% of the year end balance of debtors as doubtful debts and to depreciate Property, Plant and Equipment on cost 10% per annum for the year ending 30.06.2021.

Required:

1. Income Statement for the year ending 30.06.2021
2. Statement of Financial Position as at 30.06.2021

(20 Marks)

04. The following is the estimated Income Statement of an entity that sells special type of doll

		Rs. '000
Sales (2,000 units)		1,600
Cost of sales		(800)
Gross Profit		<u>800</u>
Fixed cost		
Advertising	30	
Wages	120	
Administration	50	(200)
Net profit		<u>600</u>
		===

Note: Contribution to sales ratio 50%

Required:

- (1) Contribution per unit
- (2) Total sales value at breakeven point
- (3) Margin of safety in rupees at 2000 units
- (4) No, of dolls to be sold to earn a profit of R. 1,000,000 if selling price and other factors remain constant.
- (5) Expected profit by selling 4,000 dolls if other factors remain constant.

(10 marks)