

Lakshitha Rathnayake Lakshitha Rathnayake Lakshitha Rathnayake Lakshitha Rathnayake
 ලක්ෂිත රත්නායක ලක්ෂිත රත්නායක ලක්ෂිත රත්නායක ලක්ෂිත රත්නායක ලක්ෂිත රත්නායක
 Lakshitha Rathnayake Lakshitha Rathnayake Lakshitha Rathnayake Lakshitha Rathnayake Lakshitha Rathnayake
 ලක්ෂිත රත්නායක ලක්ෂිත රත්නායක ලක්ෂිත රත්නායක ලක්ෂිත රත්නායක ලක්ෂිත රත්නායක
 Lakshitha Rathnayake Lakshitha Rathnayake Lakshitha Rathnayake Lakshitha Rathnayake Lakshitha Rathnayake
 ලක්ෂිත රත්නායක ලක්ෂිත රත්නායක ලක්ෂිත රත්නායක ලක්ෂිත රත්නායක ලක්ෂිත රත්නායක
 Lakshitha Rathnayake Lakshitha Rathnayake Lakshitha Rathnayake Lakshitha Rathnayake Lakshitha Rathnayake

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
 கணக்கடு I
 Accounting I

33 E I

One Hour & Fifteen Minutes

Instructions:

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

Paper No 15

PART I

- Which of the following sets confirms the **Fundamental** qualitative characteristics of the financial information?
 - Predictive value and verifiability.
 - Neutrality and faithful representation.
 - Relevance and reliability.
 - Relevance and faithful representation.
 - Relevance and feedback value.

(.....)
- Which of the following accounting equation is **correct**?
 - Non-current assets + Current assents = Capital + Liabilities – Accumulated depreciation
 - Non-current assets + Current assents – Creditors = Capital + Liabilities
 - Cash + Non-current assets = Capital + Liabilities – Current assets
 - Assets except cash = Capital + Non-current liabilities + Current liabilities – Cash
 - Non-current assets + Current liabilities = Capital + Non-current liabilities + Current asset

(.....)
- The statement of financial position prepared as at a given date shows us,
 - The amount that the entity could be sold for as a going concern.
 - The amounts that could be realized on liquidation.
 - The financial performance of the entity over a period of time.
 - The financial position of the entity at a given date.
 - The operational results of the entity at a given date.

(.....)

Use the following information to answer questions **04 to 06**.

Mithushan commenced a business on 01.04.2018 with a capital of Rs. 500,000,000 and he has provided following information for the years 2019/20 and 2018/19.

Description	2019/2020 (Rs. million)	2018/2019 (Rs. million)
Total revenue	200	150
Total expenses	150	90
Drawings	20	20
Additional capital	40	10
Total assets as at 31 st March	800	620

- (4) What were the total liabilities as at 31.03.2019?
 1. Rs. 120 million 2. Rs. 100 million 3. Rs. 90 million
 4. Rs. 60 million 5. Rs. 70 million
 (.....)
- (5) What was the total equity as at 31.03.2020?
 1. Rs. 620 million 2. Rs. 800 million 3. Rs. 570 million
 4. Rs. 750 million 5. Rs. 120 million
 (.....)
- (6) What were the total liabilities as at 31.03.2020?
 1. Rs. 180 million 2. Rs. 120 million 3. Rs. 200 million
 4. Rs. 190 million 5. Rs. 150 million
 (.....)
- (7) Accounting of accrued interest on loans obtained by a company would result in,
 1. Decrease in equity and increase in assets
 2. Increase in both equity and assets
 3. Decrease in equity and increase in liabilities
 4. Increase in both equity and liabilities
 5. Increase in equity and decrease in liabilities
 (.....)
- (8) Select the answer which includes correct steps in the accounting process.
 1. Prime entry books, financial statements, source documents, ledger accounts
 2. Source documents, prime entry books, ledger accounts, financial statements
 3. Ledger accounts, prime entry books, correction of errors, financial statements,
 4. Source documents, prime entry books, trial balance, ledger accounts
 5. Correction of errors, ledger accounts, source documents, prime entry books, correction of errors
 (.....)
- (9) The transactions occurred in the first month of Udeesha's business which has been started on 01.01.2020 investing Rs. 150,000 are given below.
 05th January = Credit purchases of stocks Rs. 100,000
 07th January = Cash drawings by Udeesha Rs. 10,000
 15th January = Payments to creditors Rs. 50,000
 20th January = Credit sales of stocks costing Rs. 30,000 at a price of Rs. 50,000
 25th January = Cash receipts from customers Rs. 20,000

Which of the following equations shows the assets, liabilities and equity of Udeesha's business as at 31.01.2020?

Assets (Rs.)	=	Liabilities (Rs.)	+	Equity (Rs.)
1. 160,000	=	50,000	+	110,000
2. 190,000	=	50,000	+	140,000
3. 210,000	=	50,000	+	160,000
4. 230,000	=	70,000	+	160,000
5. 240,000	=	50,000	+	190,000

(.....)

- (10) Which of the following transactions is recorded in the purchase journal / day book of a firm?
 1. All cash purchases made with the intention of resale.
 2. All credit purchases made with the intention of resale.
 3. All credit purchases made.
 4. Credit purchases of non-current assets for the permanent use of the business.
 5. All purchases made with the intention of resale.
 (.....)

- (11) What is the bank balance of an entity to be shown in the statement of financial position as at 31.03.2020 based on the following information?

	Rs.
Bank overdraft as per the bank statement as at 31.03.2020	(10,000)
Cheques deposits but not realized as at 31.03.2020	45,000
Cheques issued but not presented for payment as at 31.03.2020	30,000
Cheques deposited directly in the bank by debtors	15,000

1. Rs. 5,000 2. Rs. (20,000) 3. Rs. 25,000
4. Rs. (25,000) 5. Rs. (40,000) (.....)

- (12) Which of the following answers is **correct**?

	Expense Account	Assets Account	Liability Account	Capital Account	Income Account
1. Purchases account	-	✓	-	-	-
Sales returns account	✓	-	-	-	-
2. Sales account	-	-	-	-	✓
Sales returns account	✓	-	-	-	-
3. Depreciation account	✓	-	-	-	-
Provision for depreciation account	-	-	-	-	✓
4. Sales returns account	-	-	-	-	✓
Purchases returns account	✓	-	-	-	-
5. Bad debts account	✓	-	-	-	-
Provision for doubtful debts account	-	-	-	-	✓

(.....)

- (13) Hashini's business has invested Rs. 500,000 in a fixed deposit at an interest rate of 20% on 01.04.2019. As a result of recording of interest receivable from the fixed deposit for the year ended 31.03.2020,

1. Increase both assets and equity
2. Increase assets and decrease equity
3. Decrease assets and increase equity
4. Decrease both assets and equity
5. Decrease assets and increase liabilities

(.....)

- (14) Following information shows how a business entity has recorded few transactions in the general ledger.

Transaction Reference	Description	Account Debited	Account Credited
A	Acquisition of motor vehicles on cash	Motor vehicle	Cash
B	Receipt of cheques from debtors	Cash	Debtors control
C	Additional Capital	Capital	Cash
D	Payments to creditors	Creditors control	Cash

Which of the following answers shows the correct transactions reference under the double entry system?

1. A, B and C 2. A, B and D 3. B, C and D
4. A and D 5. B and D

(.....)

- (15) Opening capital of Rumali's business was Rs. 100,000. The closing capital of the business has increased during the year by Rs. 50,000. Cash and goods drawings made by the owner were Rs. 53,000 and Rs. 5,000 respectively.

The net profit or loss for the year was,

- | | |
|---------------------------|----------------------------|
| 1. A profit of Rs. 50,000 | 2. A profit of Rs. 108,000 |
| 3. A loss of Rs. 108,000 | 4. A loss of Rs. 50,000 |
| 5. A loss of Rs. 58,000 | |

(.....)

- (16) Silva fashions house purchases textiles from Ceylon textiles limited. On 30.09.2020, Silva fashions house purchased 20 sarees each at Rs. 900 and 50 trousers each at Rs. 500. A trade discount of 10% was received from Ceylon textiles limited and if the total amount is settled before two months, a cash discount of 5% is also allowed. Silva fashions house paid the total amount payable to Ceylon textiles limited on 30.10.2020. According to the above transactions, the value of total purchases to be recorded in the purchases journal and the cash amount paid by Silva fashions house are respectively.

- | | |
|------------------------------|------------------------------|
| 1. Rs. 38,700 and Rs. 36,765 | 2. Rs. 43,000 and Rs. 38,000 |
| 3. Rs. 38,700 and Rs. 38,000 | 2. Rs. 43,000 and Rs. 43,000 |
| 5. Rs. 43,000 and Rs. 36,765 | |

(.....)

- (17) Dinusha bought goods on credit from Shehan for Rs. 60,000 less a trade discount of Rs. 12,000. Which entries record this transaction in Dinusha's books?

Account to be debited

1. Purchases Rs. 48,000
2. Purchases Rs. 48,000
3. Purchases Rs. 60,000
4. Purchases Rs. 60,000
5. Purchases Rs. 60,000

Account to be credited

- Shehan Rs. 48,000
Shehan Rs. 60,000
Discount allowed Rs. 12,000
Shehan Rs. 60,000
Shehan Rs. 48,000
Discount received Rs. 12,000
Shehan Rs. 48,000
Cash Rs.12,000

(.....)

- (18) The source document and the prime entry book to record a returned cheque received from a debtor are,

1. Payment voucher and cash journal
2. Bank statement and petty cash payment journal
3. Cash receipt and cash journal
4. Journal voucher and general journal
5. Bank statement and sales journal

(.....)

- (19) Which of the following sets confirms the **Enhancing** qualitative characteristics of the financial information?

1. Relevance, reliability, neutrality, consistency
2. Understandability, timeliness, relevance, comparability
3. Relevance, reliability, comparability
4. Uniformity, comparability, reliability, consistency
5. Comparability, verifiability, timeliness, understandability

(.....)

- (20) Identify the transaction which has no impact to owner's equity.

1. Investment by the owner
2. Taking back cash by the owner
3. Receiving cash from sales
4. Receiving cash for unearned income
5. Making payments for expenses

(.....)

(60 Marks)

PART II

01. The following details have been extracted from Eshara PLC for the month of May 2019

(Rs. '000)

Debtors	Balance as at 01.05.2019	Credit Sales	Return Inwards	Cash receipts	Discount Allowed
A	100	500	50	350	30
B	80	600	50	400	40
C	70	850	100	360	40
	250	1 950	200	1 110	110

Creditors	Balance as at 01.05.2019	Credit Purchases	Return Outwards	Cash Payments	Discount Received
E	100	250	50	275	30
F	150	300	-	360	40
G	150	450	50	300	40
	400	1000	100	935	110

Total of creditors and debtors ledger balances as at 01.05.2019 were agreed with the creditors control account and debtors control account balances.

However, they were different from each other as at 31.05.219

Reason for the difference between Control accounts balances and total of the sub-ledgers are:

- (1) Total of the sales journal had been extracted to the control account as Rs. 950 000
- (2) Return inwards by "B" has not been recorded in control account
- (3) Total of the discount allowed column has been recorded in control account as Rs. 10 000
- (4) Discount allowed Rs. 30 000 to A has been recorded in personal account as Rs. 3 000
- (5) The total of the return outward journal has been credited to the control account
- (6) Total of the purchase journal had been extracted to the control account as Rs. 1 095 000
- (7) Cash paid to E has been recorded in his personal account as Rs. 257 000
- (8) Discount Received from F has been Credited to personal account of the creditor.

Required:

- (1) Journal Entries for correction of errors
- (2) Control Accounts before rectifying the errors
- (3) Adjusted control accounts
- (4) Debtors and creditors reconciliation statements

(40 Marks)