

MARKING SCHEME - REVISION PAPER 06

PART I

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

- 11) A - False
B – False
C – True
D - False

- 12) 1) Purchase journal, purchase invoice
2) General journal , Journal voucher

- 13) A - Yes
B – No
C – No
D - Yes

- 14 A - Comparability
B – Faithful representation
C – Relevance
D - Timeliness

- 15) A - 2
B – 4
C – 1
D - 3

(3x15)
(45 Marks)

PART II

Question 01

- 1) (Rs.'000)

| Transaction No | Assets | | | | Liabilities | | Equity |
|----------------|------------------------------|-----------|------------------|------|------------------------|---------------------|---------|
| | Property Plant and Equipment | Inventory | Trade receivable | Bank | Noncurrent Liabilities | Current Liabilities | Capital |
| 1. ② | +1 100 | | | +500 | | | +1 600 |
| 2. ② | +100 | +200 | | -300 | | | |
| 3. ② | | -100 | +150 | | | | +50 |
| 4. ② | | +150 | | | | +150 | |
| 5. ② | | | -60 | +54 | | | -6 |
| 6. ② | | +6 | -9 | | | | -3 |
| 7. ② | | | | -70 | | -75 | +5 |
| 8. ② | +2 400 | | | | +2 400 | | |
| 9. ② | | | | -5 | | | -5 |
| 10. ② | | -50 | | +75 | | | +25 |
| 11. ② | | | +10 | -9 | | | +1 |
| 12. ② | | | | +5 | | +5 | |

2)

Statement of Profit or Loss (Rs. '000)

| | | | |
|---------------------------|-----|--------|-----|
| Sales | | 216 | } ① |
| (-) Cost of Sales | | (144) | |
| Gross Profit | | 72 | ① |
| (+) Other Income | | | |
| Discount Received | | 5 | |
| | | 77 | |
| (-) Other Expenses | | | |
| Discount Allowed (6-1) ① | 5 | | |
| Electricity | 5 | | |
| Depreciation | 10 | | |
| Bad debts ① | 10 | | |
| Doubtful debt ① | 8.1 | (38.1) | |
| Net Profit | | 38.9 | ① |

(Total marks 30)

Question 02

1)

General Journal

Rs.(000)

| Date | | Description | J/E | Dr | Cr. |
|------|-----|---------------------------------------|-----|-------|-------|
| | i | Suspense Dr. | | 7 000 | |
| | | Sales | | | 7 000 |
| | | (correction of Sales) ② | | | |
| | ii | Suspense Dr. | | 500 | |
| | | Electricity | | | 500 |
| | | (correction of Electricity account) ② | | | |
| | iii | Creditors control Dr. | | 5 000 | |
| | | Suspense | | | 5 000 |
| | | (correction of creditors control) ② | | | |
| | iv | Debtors control Dr. | | 1 800 | |
| | | Suspense | | | 1 800 |
| | | (correction of Debtors control) ② | | | |
| | v | Suspense Dr. | | 90 | |
| | | Creditors control | | | 90 |
| | | (correction of creditors control) ② | | | |

2)

Suspense account

| | | | |
|---------------|--------------|-------------------------|--------------|
| Electricity ① | 500 | Difference in the T.B ① | 790 |
| Sales ① | 7 000 | Creditors control ① | 5 000 |
| | | Debtors control ① | 1 800 |
| | <u>7 590</u> | | <u>7 590</u> |

(Total marks 15)