

## MARKING SCHEME - REVISION PAPER 11

## PART I

- |             |              |
|-------------|--------------|
| 1) <b>4</b> | 6) <b>5</b>  |
| 2) <b>3</b> | 7) <b>5</b>  |
| 3) <b>2</b> | 8) <b>4</b>  |
| 4) <b>2</b> | 9) <b>1</b>  |
| 5) <b>3</b> | 10) <b>1</b> |

- 11) A) General journal  
B) Purchase return journal  
C) Cash Receipt journal  
D) General journal

**12) Rs.135,000**

- 13) A) Rs.25 000  
B) Rs.32 500

- 14) A) Matching concept  
B) Prudence concept  
C) Matching concept  
D) Accrual/Realization concept

- 15) A)** Provision for doubtful debts     Dr    200 000  
                Debtors Control                      Cr        200 000

- B) Cash** Dr 180 000  
Insurance Receivable Cr 180 000

**(3x15)**  
**(45 Marks)**

## PART II

### Question No: 01

General Journal

(Rs. '000)

	Description	Dr.	Cr.
1	Sales                                      ②      Dr. Debtors Control (Correction of Sales account)	20	20
2	Advertising                              ②      Dr. Suspense (Correction of Advertising account)	42	42
3	Suspense                                      ②      Dr. Sundry Expenses Sundry Income (Correction of Sundry Income account)	16.5	1.5 15.0
4	Discount allowed                      ②      Dr. Suspense (Correction of D/A Account)	12.6	12.6

5	Motor Vehicle Repair ② Dr. Motor Vehicle (Correction of Motor Vehicle Repair Account)	18.0	18.0
6	Purchase Return ② Dr. Sales Return Dr. Suspense (Correction of Sales Return Account)	3.0 3.0	6.0

Suspense account		Rs(000)	
B/B/F②	44.1	D/A①	12.6
Sundry income①	15.0	Advertising	42.0
Sundry expense	1.5	SR/PR	6.0
	60.6		60.6

**Profit correction Statement (Rs. '000)**

Incorrect Net Profit		①170.0
(+) Sundry income	①15	
Sundry expense	①1.5	
		16.5
		<b>186.5</b>
(-) Sales	①(20.0)	
Advertising	①(42.0)	
Discount allowed	①(12.6)	
MV repair	① (18)	
PR and SR	① (6)	(98.6)
Balance as per Debtors List		<b>①87.9</b>

**(25 Marks)**

**Question No: 02**

1)

Transaction No		Non-current assets	Current Assets	Equity	Non-current Liabilities	Current Liabilities
01	①			-25		+25
02	①		+25	+25		
03	②		-90	-30(drawings) -50		-10
04	②			+15 -15(drawings)		
05	①	+45		+45		
06	②		-45	+10		-55

## 2) Impact on net profit

Incorrect net profit		750	
(+) Bad debts recovery①	25		
Donation –error ①	15		
Depreciation①	45		
Discount received	①	<u>10</u>	<u>95</u>
		845	
(-) Loan interest①	25		
Insurance①	<u>50</u>		<u>(75)</u>
<b>Corrected net profit</b>			<b><u>770</u></b>

( 15 Marks)