

MARKING SCHEME - REVISION PAPER 02

PART I

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

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

- | 12) | Prime entry book | Source document |
|---|----------------------|-----------------|
| 1. Purchase of furniture for Rs. 150 000 on credit by a furniture manufacturing business for the use of the business. | General journal | Journal voucher |
| 2. Receiving discount of Rs. 5 000 when settling a creditor. | Cash payment journal | Payment voucher |

- 13) 1) purchase of PPE on credit
- 2) Sale of PPE on credit
- 3) Depreciation/Bad debts/Doubtful debts
- 4) Opening entries/Closing entries/ Rectification of errors

- 14) 1) Accrued electricity** Dr 15,000
 Cr 15,000

- 2) Creditor Dr 10,000
Capital Cr 10,000

- 15) i) R_s 315 000**
ii) R_s 310 000

(3x15)
(45 Marks)

Question 01

PART II

- 1)**

| Date | Assets | Liabilities | Equity |
|---------|------------|-------------|---------------------------|
| 01/01 ① | +100 000 | | +100 000 (capital) |
| 01/01 ① | -5 000 | | -5 000 (printing) |
| 01/02 ① | +1 200 000 | | +1 200 000(add.cap) |
| | -30 000 | | -30 000 (depreciation) |
| 07/02 ① | -10 000 | | -10 000 (drawings) |
| 10/02 ① | +50 000 | | +50 000(other income) |
| 07/03 ① | -15 000 | +5 000 | -20 000(Maintenance exp.) |
| 31/03 ① | +600 000 | | +600 000(service income) |
| 31/03 ① | -150 000 | +50 000 | -200 000(Fuel expense) |
| 31/03 ① | -75 000 | | -75 000(salaries) |

2)

Statement of Profit or Loss (Rs. '000)

| | | |
|---------------------------|-----|--------------|
| (+) Other Income | | |
| Service income ① | 600 | |
| Other income① | 50 | 650 |
| (-) Other Expenses | | |
| Printing | 5 | |
| MV depreciation ① | 30 | |
| Vehicle maintenance① | 20 | |
| Fuel expense① | 200 | |
| Salaries | 75 | (330) |
| Net Profit | | 320 ① |

(Marks 15)

Question No: 02

1)

| | Assets | | | | Liabilities | | | Equity | |
|-----------------|--------|-----------|----------------------|------|------------------|-------------------|--------------|---------|--------------------|
| Transac tion | PPE | Inventory | Trade Receivables | Cash | Trade payable | Other payables | Bank loan | Capital | Retained Profit |
| BBF | 4000 | 120 | 240 | 160 | 380 | 30 | 170 | 3000 | 940 |
| 1. ② | | -20 | | +30 | | | | | +10 |
| 2. ② | | +32 | -40 | | | | | | -8 |
| 3. ② | | | -20 | -10 | -30 | | | | |
| 4. ② | | | +30 | -27 | | | | | +3 |
| 5. ② | | | | -5 | | | | +20 | -25 |
| 6. ② | | | | -10 | | +5 | | | -15 |
| 7. ② | | | | | -50 | | | +45 | +5 |
| 8. ② | -40 | | | +50 | | | | | +10 |
| 9. ② | | | | | | | +10 | | -10 |
| 10. ② | | | | | | +25 | | | -25 |
| Adj. bal. | 3960 | 132 | 210 | 188 | 300 | 60 | 180 | 3065 | 885 |

2) Total equity = Capital + Retained profit
 3 950 ② = 3 065 + 885

3)

Statement of Financial Position

(Rs. '000)

| | | |
|---------------------------------------|------|----------------|
| <u>Non Current Assets</u> | | |
| Property Plant and Equipment ① | | 3 960 |
| <u>Current Assets</u> | | |
| Inventory ① | 132 | |
| Trade Receivables① | 210 | |
| Cash ① | 188 | 530 |
| Total Assets | | 4 490 |
| <u>Equity and Liabilities</u> | | |
| Capital | 3065 | |
| Retained earnings | 885 | 3 950 |
| <u>Non-Current Liabilities</u> | | |
| Bank Loan ① | 180 | 180 |
| <u>Current Liabilities</u> | | |
| Trade Payables ① | 300 | |
| Other Payables① | 60 | 360 |
| Total equity and Liabilities | | 4 490 ① |

(Marks 30)