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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

கணக்கியல் I
 கணக்கீடு I
 Accounting I

33 E I

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 ஒரு மணித்தியாலங்கள்
 One Hour

Instructions:

- *Select the correct answer for question No: 1- 15 & write its number on the dotted line given.
- *Answer all questions in Part II - Relevant workings should be attached to the answer script

Paper No 05

PART I

01. What statements are true in relation to the special purpose financial statements?

- A - It provides the information for decision making for the external parties
 - B - It is a part of the organizational Management Information System
 - C - It is prepared to plan and control the organizational operational activities
- (1) A only (2) B only (3) A and B only
 (4) B and C only (5) All above A B and C

(.....)

02. Below given values are taken from the statement of financial position of Nipun's Business as at 01.01.2021.

Current Assets + Non Current Assets = Current Liabilities + Non Current Liabilities + Equity
 100 000 400 000 200 000 50 000 250 000

Following transactions have been occurred on 2nd of January 2016

- (i) Good sold for Rs. 34 500 on credit including 15% of VAT (Gross profit margin is 20% on the selling price)
- (ii) Payment of an installment of a bank loan of Rs. 20 000 in cash including an interest of Rs. 2 000

What is the correct accounting equation after adjusting for the above transactions?

		Current Assets	+	Non Current Assets	=	+	Current Liabilities	+	Non Current Liabilities	+	Equity
(1)	+	80 000	+	400 000	=	+	200 000	+	50 000	+	230 000
(2)	+	85 000	+	400 000	=	+	200 000	+	32 000	+	253 000
(3)	+	85 000	+	400 000	=	+	200 000	+	30 000	+	257 500
(4)	+	89 500	+	400 000	=	+	204 500	+	32 000	+	250 000
(5)	+	90 500	+	400 000	=	+	204 500	+	32 000	+	254 000

(.....)

03. In the below given table what is the answer with only correct categorization of accounts?

		Asset Account	Liability Account	Equity Account	Income Account	Expenditure Account
(1)	Sales Return Account Purchase Account	✓				✓
(2)	Drawings Account Purchase Account			✓		✓
(3)	Drawings Account Purchase Returns Account				✓	✓
(4)	Bad Debts Account Provision for Doubtful Debts		✓			✓
(5)	Depreciation Account Provision for Depreciation		✓	✓		

(.....)

04. A stock of goods was sold on credit with a profit of 25% on cost. The cost of stock sold was Rs. 20 000. What is the correct answer to record this transaction?

	Source Document	Primary Book	Double Entry		
(1)	Invoice	Cash Book	Trade Debtors Account Sales Account	Dr. Cr.	25 000 25 000
(2)	Invoice	Sales Journal	Trade Debtors Account Sales Account	Dr. Cr.	25 000 25 000
(3)	Invoice	Sales Journal	Sales Account Trade Debtors Account	Dr. Cr.	25 000 25 000
(4)	Receipt	Cash Book	Cash Book Sales Account	Dr. Cr.	25 000 25 000
(5)	Voucher	Sales Journal	Trade Debtors Account Sales Account	Dr. Cr.	25 000 25 000

(.....)

05. Kumudu Traders sold goods to Sumudu Limited on 01.01.2021 on credit for Rs. 75 000. On 04.01.2021 Rs. 2 000 worth of goods were returned due to the damages occurred in the transportation. Sumudu Limited issued a cheque for Rs. 30 000 and made a payment.

What is the correct answer that lists the respective source documents to be used by Kumudu Traders to record the above transactions?

- (1) Debit note, Invoice, Voucher
- (2) Invoice, Credit Note, Receipt
- (3) Credit Note, Receipt, Invoice
- (4) Invoice, Debit Note, Bank Statement
- (5) Invoice, Credit Note, Voucher

(.....)

06. The balance of the trade debtors control account as at 31.03.2021 was Rs. 80 000. The total balance of the debtor's ledger had a different balance as at the same date. Following are the reasons for the above difference.

1. Total of sales journal has been under casted by Rs. 2 000
2. Credit sale of Rs. 20 000 has been recorded in the sales journal as Rs. 2 000
3. Credit sale of Rs. 4 500 has been recorded in the relevant debtors account as Rs. 5 400
4. Discount allowed of Rs. 500 was not recorded in the individual account in the debtors Ledger

The balance to be shown in the Statement of Financial Position as at 31.03.2021 is:

- | | | |
|----------------|-----------------|----------------|
| (1) Rs. 79 100 | (2) Rs. 88 600 | (3) Rs. 98 000 |
| (4) Rs. 98 600 | (5) Rs. 100 000 | (.....) |

07. What are the characteristics that need to be satisfied to meet the definition of a liability as per the conceptual framework of financial reporting?

- | | | |
|---|---|--|
| A | - | Existence of a present obligation for the Entity |
| B | - | Should be able to measure the amount or the realizable value reliably |
| C | - | The settlement of which result in an outflow of future economic benefits from the Entity |

- | | | |
|------------|-------------------|------------------|
| (1) A only | (2) A and B only | (3) A and C only |
| (4) C only | (5) All A B and C | (.....) |

08. A land which has been bought for Rs. 2 000 000 in the year 2000 has been recorded in the Statement of Financial Position at its revalued value of Rs. 5 000 000 as at 31.03.2021. What is the accounting concept that is not being adhered and the relevant qualitative characteristic expressed by recording the asset at the revalued value?

- | | Concept | | Qualitative Characteristics |
|-----|-----------------|---|-----------------------------|
| (1) | Entity | - | Relevance |
| (2) | Matching | - | Faithful Representation |
| (3) | Historical Cost | - | Understandability |
| (4) | Historical Cost | - | Comparability |
| (5) | Historical Cost | - | Relevance |

(.....)

09. Given below are the transactions occurred in the Piyumali's Business during the month of January 2021 and some additional information.

- During the month purchases made on credit was Rs. 20 000 out of which Rs. 15 000 worth of goods has been sold on credit
- Bad debts written off are Rs. 3 000. Bad debts of Rs. 1 000 written off last year has been received in January
- The electricity bill for the month of January is Rs. 5 000. This has been paid in 10th February 2021
- During the month, salaries of Rs. 10 000 for the month of January 2021 has not been paid whereas Rs. 8 000 worth of salaries for the month of December 2020 has been paid

How much is the total expense that should be accounted for against to the income of the month of January 2021 of the above business:

- | | | |
|----------------|----------------|----------------|
| (1) Rs. 24 000 | (2) Rs. 25 000 | (3) Rs. 32 000 |
| (4) Rs. 36 000 | (5) Rs. 41 000 | (.....) |

10. Below given information have been revealed for the year ended 31.03.2021 from a business which had not been maintain proper books of accounts

Sales	500 000
Purchases	400 000
Drawings- Cash	30 000
Drawings- Goods	70 000
Stock as at 2021.03.31	80 000

Gross profit margin is 40%

Stock value as at 01.04.2020 is:

- | | | |
|----------------|-----------------|----------------|
| (1) Rs. 20 000 | (2) Rs. 50 000 | (3) Rs. 80 000 |
| (4) Rs. 90 000 | (5) Rs. 120 000 | (.....) |

WRITE SHORT ANSWERS ON THE DOTTED LINES FOR THE QUESTION NO 11 TO 15

11. State the impact on the “Assets” “Liabilities” “Equity” as “Decrease”, “Increase” and “No changes” for following transactions?

	Assets	Liabilities	Equity
(1) An accrued expense was settled by the owner using his personal cash
(2) Provision is made for doubtful debts from the trade debtors
(3) Deposit cash in the bank account when the balance is an over draft
(4) Building rent received in advance

12. Below information relates to petty cash imprest of a business: **Rs.**

Balance of the petty cash book	-	2021.01.01	600
	-	2021.01.31	400
Reimbursement	-	2021.01.01	1 900

How much of a reimbursement to be made on 01.02.2021 if the imprest is to increase by Rs. 500?

.....

13. As at 31.03.2021 a favorable balance of Rs. 630 000 was in the balance of the bank statement of a business. But this balance was not agreed with the balance in the bank account. The causes for the difference are as follows:-

- (i) A standing order payment of Rs. 10 000 to settle the loan installment
- (ii) Cheques of Rs. 40 000 was deposited but were not realized
 - (a) What is the bank account balance in the business before the adjustments are made as at 31.03.2021:
 - (b) What is the bank balance to be reported in the statement of financial position as at 31.03.2021:

14. State whether following errors will have impact or not on the trial balance of a business:

- (1) A sales invoice of Rs. 40 000 has not been recorded in the books of accounts
- (2) Rs. 15 000 of overdraft balance has been taken to the trial balance as a favorable balance
- (3) A discount given of Rs. 4 000 has been debited to discount received account
- (4) Bad debts write off of Rs. 30 000 has been recorded in the control account
has not been recorded in the individual debtors account.

15. Identify the most appropriate accounting concept for below given scenarios for a limited liability company engaged in trading business

	Scenarios	Concept
A	Classification of Assets & Liabilities in to Current and Non-current in the statement of financial statement
B	Prepare an Income Statement for every accounting period
C	Though the Rent paid in cash within the year is Rs. 500 000 Income Statement record Rs. 600 000
D	The value of a motor vehicle obtained from a finance lease, is recognized in the statement of finance position

(Total marks 45)

PART II

01. Saman commenced a stationery trading business on 01.01.2021. All cash transactions of the business are carried out through a bank current account. Saman while serving as the manager of the business recruited an employee to assist in carrying out sales and maintaining inventory.

The following transactions took place in the business during January 2021.

No	Date	Cheque No	Transaction
1	01/01		Saman invested Rs. 600 000 in cash and brought Rs. 180 000 worth of furniture
2	03/01	5001	Purchased stationery for Rs. 300 000 on cash
3	07/01	4450	Stationery costing Rs. 100 000 was sold for Rs. 150 000 on cash
4	10/01		Stationery costing Rs. 150 000 was sold on credit to Gamini for Rs. 200 000
5	12/01		Purchased stationery for Rs. 400 000 on credit from Jayamal PLC
6	12/01		Stationery costing Rs. 300 000 was sold on credit to Nimal for Rs. 280 000
7	15/01	6005	Received the full amount due from Gamini
8	18/01	2005	Stationery costing Rs. 150 000 was sold for Rs. 120 000 on cash
9	25/01	5002 5003	Paid salaries Saman Rs. 50 000 Assistant Rs. 25 000
10	26/01	5004	Office expenses incurred for the month was Rs. 40 000, of which Rs. 30 000 was paid
11	29/01	3010	Received the full amount due from Nimal after allowing a discount of Rs. 10 000
12	30/01	5005	Settled the amount due to Jayamal PLC

Required:

- (1) Show the impact of transactions 1 to 12 (with values) using the accounting equation and state whether each value increase (+) or decreases (-) in front of the value. (In answering this question, use a format similar to the one given below).

Transaction No.	Assets				Liabilities		Equity	
	PPE	Inventory	Trade Receivables	Cash	Trade Payables	Other Payables	Capital	Retained Earnings

- (2) Income statement for the month ended 31/01/2021

- (3) calculate the net profit using net asset basis

(30 marks)

02. Chirathma is a sole trader. Below given is the statement of financial position prepared by an account assistant of the business:-

Statements of Financial Positions as at 31.12.2021

	(Rs.)	(Rs.)
Property Plant and Equipment		600 000
Inventories	240 000	
Trade debtors	110 000	
Bank & Cash in hand	280 000	
Suspense Account	100 000	730 000
		1 330 000
Capital	800 000	
Net Profit	300 000	1 100 000
Trade creditors		230 000
		1 330 000

Following errors were later revealed.

1. Discount given of Rs. 3 500 were recorded in the ledger accounts as Rs. 5 300
2. Cash sales of Rs. 20 000 has been recorded twice in the sales account
3. Payments made for creditors of Rs.65 000 and salaries of Rs.15 000 has been correctly recorded in the cash payment journal and cash control account. But they have not recorded in the relevant other ledger accounts.

Required:

1. Journal entries to correct the errors and a statement to correct the net profit.
2. Statement of financial position after making the adjustments for errors on 31.12.2021

(15 marks)