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 கல்விப் பொதுத் தரபரப் பத்திர (உயர் தர)ப் பரீட்சை - 2021 ஓசஸ்ந்
 General Certificate of Education (Adv. Level) Exam - August 2021

නව නිර්දේශය
 புதிய பாடத்திட்டம்
 New syllabus

கிணுமீகரණය 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 04

PART I

01. Following statements have been provided with regard to financial accounting.

- A. It is based on historical information.
- B. It provides information to both internal and external parties.
- C. It is not a legal requirement.
- D. The reports are provided for a certain period.

The answer which is inclusive of the correct statements is;

- 1) A & B
- 2) A,B & C
- 3) A,B & D
- 4) A,B,C, & D
- 5) A & C

(.....)

02. The salary paid in cash for the month of January in 2021 was Rs. 900,000/=. The salary was paid After deducting the employee contribution of 10% to EPF. The employer's contribution to EPF is 15%.

The answer which indicates the impact of above transactions under basic accounting equation ,

	Assets	Liabilities	Equity
01.	-900		-900
02.	-900	+250	-1150
03.	-900	+150	-1050
04.	-1000		-1000
05.	-900	+135	-1035

(.....)

03. A business purchases goods on credit for a sum of Rs. 200,000/= at trade discount of 10%. That amount is paid after one month at a cash discount of 5%. The amount to be debited to the purchases account is;

- 01. Rs. 170,000/=
- 02. Rs. 171,000/=
- 03. Rs. 180,000/=
- 04. Rs. 200,000/=
- 05. Rs. 175,000/=

(.....)

04. A business sells goods on credit for Rs. 50,000/= and the goods worth of Rs. 5,000/= were returned due to damage on transportation. The amount receivable is received at a cash discount of 10%. The source documents to be used to record the above transactions in order are;

- | | |
|--|------------------------------------|
| 01. Invoice, Credit Note, Receipt. | 02. Invoice, Debit Note, Receipt. |
| 03. Invoice, Credit Note, Payment Voucher. | 04. Invoice, Receipt, Credit Note. |
| 05. Invoice, Journal Voucher, Credit Note. | (.....) |

05. The accounting errors given below have taken place in Suranga's business for the year ended 31/12/2020.

- The total of Rs. 25,000/= of the sales journal has been posted to sales account as Rs.2,500/=.
- Rent Income of Rs. 5,000/= has been debited to Rent Expense account.
- Credit purchases of Rs. 10,000/= has been omitted from the books of accounts.

The balance in the suspense account before correcting the errors is;

- Rs. 22,500/= (Dr)
- Rs. 32,500/= (Dr)
- Rs. 32,500/= (Cr)
- Rs. 10,000/= (Dr)
- Rs. 12,500/= (Cr)

(.....)

06. The effect on the net profit after correcting the errors stated in the question **no.05** above is;

- Increased by Rs. 25,000/=
- Decreased by Rs. 10,000/=
- Increased by Rs. 22,500/=
- Decreased by Rs. 22,500/=
- Decreased by Rs. 12,500/=

(.....)

07. The balance of the creditors' control account of Rs. 90,000/= did not tally with the total of the balances of the Creditors' Subsidiary Ledger as at 31/12/2020. The reasons for the difference are as follows.

- The total of the Purchases Journal has been under stated by Rs. 20,000/= when it was being posted to the Creditors' Control A/c.
- Late interest amount of Rs.1,000/= charged by a trade creditor has been omitted from the books of accounts.
- A sum of discount received of Rs.2,000/= has been credited to the Creditors' Control A/c.

The amended balance of the Creditors' Control A/c and the total of the balances of the Creditors' Subsidiary Ledger in order are;

Creditors' Control A/c		Creditors' Subsidiary Ledger	
01.	Rs. 109,000/=		Rs. 106,000/=
02.	Rs. 104,000/=		Rs. 107,000/=
03.	Rs. 107,000/=		Rs. 106,000/=
04.	Rs. 103,000/=		Rs. 102,000/=
05.	Rs. 112,000/=		Rs. 104,000/=

(.....)

08. The information pertaining to rent expenses and the commission income is as follows.

	2020/01/01	2020/12/31
Accrued Rent	20,000/=	15,000/=
Commission received in advance	-	5,000/=

Monthly rental expenditure is Rs. 20,000/= and the commission income received in cash for the year is Rs. 40,000/=.

The rental expenditure paid in cash and the commission income to be indicated in the Income Statement respectively for the year ended 31/12/2020 are;

01. Rs. 245,000/=	Rs. 35,000/=	
02. Rs. 240,000/=	Rs. 35,000/=	
03. Rs. 255,000/=	Rs. 40,000/=	
04. Rs. 260,000/=	Rs. 20,000/=	
05. Rs. 248,000/=	Rs. 45,000/=	(.....)

09. The information given below is pertaining to a manufacturing organization for the year ended 31/12/2020.

	Rs. '000
Purchase of Raw Material	3,000/=
Net increase in the stock of Raw Material	500/=
Net decrease in Work –in – Progress	300/=
Direct manufacturing wages	400/=
Manufacturing overhead cost	600/=

The Prime Cost and the total manufacturing cost for the year ended 31/12/2020 are;

	Prime Cost (Rs. '000)	Total Manufacturing Cost (Rs.'000)	
01.	3,600/=	4,200/=	
02.	4,500/=	5,100/=	
03.	4,200/=	4,800/=	
04.	2,900/=	3,800/=	
05.	3,000/=	3,600/=	(.....)

10. The information given below is pertaining to the members' subscription fees of the Victory Sports Club.

	2020/01/01	2020/12/31
Subscription fees receivable	5,000/=	3,000/=
Subscription fees received in advance	6,000/=	4,000/=

The total members of the sports club is 500 and the annual subscription fee per member is Rs. 200/=.

The total sum of subscription fee received for the year ended **31/12/2020** is;

01. Rs. 100,000/=	
02. Rs. 109,000/=	
03. Rs. 108,000/=	
04. Rs. 112,000/=	
05. Rs. 105,000/=	(.....)

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

11. The details on the goods purchased on credit from the suppliers are given below.

Nayana	Rs. 77,000/=
Amara	Rs. 132,000/=

The above values of purchases are inclusive of VAT at the rate of 10%. Write up the journal entry to record the above purchases including VAT.

.....
.....
.....

12. Following transactions have been omitted from basic accounting equation in ascertaining the profit of Pala Traders.

Return outwards	Rs. 12,000/=
Return inwards	Rs. 20,000/=
Profit margin on sales was 20%.	

Calculate the net impact on the profit of the business (i.e. as increase or decrease)

.....

Calculate the net impact on the inventory of the business (i.e. as increase or decrease)

.....

13. Mention the most relevant accounting concept (**violated or followed**) which the following occasions comply with.

a) Chamari Traders has not prepared financial statements for the last three years.

.....

b) Sampath PLC has not mentioned the accrued salaries in the statement of financial position.

.....

c) Sahan PLC has not adjusted bad debts on debtors.

.....

14. Jayathu traders is a registered business for VAT. It is subjected to 15% of Vat Rate. For the year Ending 2020 there were following details regarding VAT.

		VAT control account
VAT account balance(cr)	Rs.50 000	<div></div>
Sales with VAT	Rs.1 035 000	
Purchases with VAT	Rs.690 000	
Return inward with VAT	Rs.23000	
Return outward with VAT	Rs.46 000	
Paid Vat during the year	Rs.150 000	

Prepare the VAT control account on given format,

15. The current accounts prepared for the partnership of Athula, Kapila and Vipula for the year ended 31/12/2020 are given below.

Current Account.

(Rs. '000)

Description.	Athula	Kapila	Vipula	Description.	Athula	Kapila	Vipula
Balance B/f			100	Balance B/f	200	400	
Drawings	100	120	80	Interest on Capital @ 10%	300	200	100
				Salaries	120	120	120
				Profit shares	50	50	50
Balance C/d	570	690	80	Loan interest		40	
	670	810	270		670	810	270

The net profit of the partnership for the year ended 31/12/2020 is (Rs. '000)

(Total marks 45)

PART II

- 01) Opening assets and liabilities of Vinu's Trading Business as at 01.01.2021 are as follow:

Rs. '000

Motor Vehicles	-	1,500
Debtors	-	270
Furniture & Fittings	-	95
Inventory	-	43
Bank balance	-	137
Creditors	-	350
Accrued Operating Expenses	-	5

The transactions occurred during the month of January 2021 are as follows:

Transaction No	Date	Transaction
01	05.01.2021	Purchased furniture & fittings worth of Rs. 40 000
02	08.01.2021	Vinu transferred a fixed deposit of Rs. 125 00 to the business
03	15.01.2021	Purchased an inventory worth of Rs. 90 000 and issued a cheque
04	17.01.2021	An inventory with cost of Rs. 65 000 was sold for Rs. 80 000. A cheque of Rs. 50 000 was received in this respect and the balance was considered as a credit sale
05	20.01.2021	Rs. 265 000 cash was received from debtors and Rs. 5 000 of debtors was written off as bad debts
06	23.01.2021	Paid Rs. 35 000 for expenses inclusive of opening accrued operating expenses
07	27.01.2021	Vinu obtained an inventory costing Rs. 8 000 from the business for a personal requirement
08	30.01.2021	Motor vehicles are depreciated at 20% per annum on cost at straight line basis

Required:

1. Show the effect of above transactions inclusive of opening balance (with the values) using the accounting equations. Use (+) sign when the value increases and (-) sign when the value decreases in front of the figure. (Use the following format for this purpose)

Transaction No	Assets					Liabilities	Equity
	Motor Vehicle	Furniture & Fittings	Inventory	Debtors	Bank		

2. Calculate the profit or loss for the month of January 2021 using net asset basis

(20 Marks)

02) (a) The trial balance of Prasad's Business prepared as at 31.03.2021 revealed that the credit side was higher than its debit side by Rs. 16 200. Subsequently, the following errors were revealed.
(Business is not maintaining control accounts)

- (i) Advertising expenses paid of Rs. 6 000 have not been posted to the relevant expense account
- (ii) The balance of the insurance expenses account of Rs.3 200 has not been taken to the trial balance
- (iii) Motor vehicle repair expenses of Rs.10 000 have been debited to the Motor Vehicle Account
- (iv) Purchase returns of Rs.2 400 have been recorded twice in the purchase returns journal
- (v) Discounts received Rs.1 000 have been debited to the discounts allowed account
- (vi) Total of the sales journal has been over casted by Rs. 9 000

Required:

1. Journal entries to correct the above errors
2. Suspense Account

(10 Marks)

(b) Creditors ledger balances of Theekshan's Business as at 01.03.2021 are as follows:

	Rs. '000
Asitha	- 25 000
Visitha	- 44 000
Lasitha	- <u>12 000</u>
Total	- <u>81 000</u>

The summary of the transactions done with the creditors during the month of March 2021 is given below:

Creditor	Purchases (Rs.)	Purchases Returns (Rs.)	Payments (Rs.)	Discount Received (Rs.)
Asitha	160 000	-	130 000	3 000
Visitha	300 000	4 000	300 000	-
Lasitha	120 000	-	120 000	2 000
Rakitha	50 000	-	16 000	-
Total	630 000	4 000	566 000	8 000

As at 01.03.2021, the total of the creditor's ledger balances agreed with the balance of the creditors control account. As at 31.03.2021, the total of the creditors ledger balances did not agree with the balance of the creditors control account. The reasons for this difference are given below:

- (i) Discounts received from Asitha for Rs. 3 000 have been debited to creditors control account and credited to discounts received account. No other entries had been made in this regard
- (ii) Debit note of Rs. 4 000 sent to Visitha has not been recorded in his account
- (iii) Cash sales of Rs. 20 000 have been credited to creditors control account
- (iv) Purchase invoice dated 28.03.2021 raised for goods purchased of Rs.12 000 from Muditha, has not been recorded in the purchase journal
- (v) The total of the purchase journal has been posted to the creditors control account as Rs. 603 000

Required:

1. Creditors control account for the month of March 2021, before making the above adjustments
2. The creditors balance to be shown in the Statement of Financial Position as at 31.03.2021

(15 Marks)