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கல்விப் பொதுத் தராதரப் பத்திர (உயர் தர)ப் பரீட்சை - 2020 ஓகஸ்ற்
General Certificate of Education (Adv. Level) Exam - August 2020

නව නිර්දේශය
புதிய பாடத்திட்டம்
New syllabus

ගිණුම්කරණය I
கணக்கீடு I
Accounting I

33 E I

පැය දෙකයි
இரண்டு மணித்தியாலங்கள்
Two Hours

Instructions:
*Select the correct answer for question No: 1- 30 & write its number on the dotted line given.
*Write short answer for question No: 31-50 on the dotted line.
*Each question carries two marks

Index No:	
Question No	**Marks**
01-30	
31 -50	
Total	

01. Which of the following statement/s is/are correct in relation to conceptual framework for financial reporting?

A - Objective of general purpose financial reporting is to record classify and summarize transactions
B - Relevance and faithful representation are two fundamental qualitative features
C - Basic assumptions use in preparing financial statements are accrual basis and money measurement

1) Only A 2) Only B 3) A and B
4) B and C 5) All of the above

(...............)

02. Two bank loan installments of Rs. 40 000 each has been paid by Jayani's business including the interest of Rs. 8 000. One installment out of the two was the accrued amount for the last year. Which of the following is the impact on accoutning equation due to the above transaction.

	Equity	**Liability**
1	Decrease by Rs. 8 000	Decrease by Rs. 32 000
2	Decrease by Rs. 8 000	Decrease by Rs. 40 000
3	Decrease by Rs. 8 000	Decrease by Rs. 64 000
4	Decrease by Rs. 8 000	Decrease by Rs. 72 000
5	Decrease by Rs. 16 000	Decrease by Rs. 64 000

(...............)

03. Which of the following is the correct answer when transactions listed in "column X" matches with the source document listed in column Y"

	Column X			**Column Y**
1.	Return inwards	-	A	Debit note
2.	Receipt of cash	-	B	Journal voucher
3.	Write off of bad debts	-	C	Receipt
4.	Return outwards	-	D	Invoice
5.	Credit Purchases	-	E	Credit Note

1) A B C D 2) B C A D E 3) A C B E D
4) E C B D A 5) E C B A D

(...............)

04. In a particular business interest expense has been deducted against the interest income and showed the net interest in the income statement. Which of the following concept violates due to the above situation.

1) Accrual concept 2) Matching concept
3) Prudence concept 4) Periodic concept
5) Materiality concept

(...............)

05. A particular business was sold goods to Sunimal of which the Invoice value was Rs. 200 000 subjected to a 10% trade discount. But in recording this transaction the trade discount was not deducted. Which of the following is the correct journal entry to rectify the above error.

	Debit (Rs. '000)		**Credit (Rs.'000)**	
1	Debtors	20	Sales	20
2	Creditors	20	Discount received	20
3	Sales	20	Debtors	20
4	Discount allowed	20	Debtors	20
5	Creditors	20	Purchases	20

(...............)

06. Which shows the correct order of accounting elements of the following accounts?

A - Provision for doubtful debts
B - Revaluation loss
C - Income tax for the year
D - Provision for sales warranties

(1) Liabilities, expenses, expenses, liabilities
(2) Assets, expenses, expenses, liabilities
(3) Assets, equity, liabilities, liabilities
(4) Assets, equity, equity, liabilities
(5) Liabilities, expenses, liabilities, expenses

(...............)

07. In a particular business stocks as at 31.03.2019 have been overstated by Rs. 50 000 and Rs. 30 000 worth of goods drawings made during the year ended 31.03.2020 has not been recorded in books. Which of the following would be the impact on profits of two years.

	Year ended 31.03.2019	**Year ended 31.03.2020**
1	Decrease by Rs. 50 000	Decrease by Rs. 30 000
2	Decrease by Rs. 50 000	Decrease by Rs. 80 000
3	Increase by Rs. 50 000	Increase by Rs. 30 000
4	Increase by Rs. 50 000	Increase by Rs. 50 000
5	Increase by Rs. 50 000	Decrease by Rs. 80 000

(...............)

08. Net profit calculated based on accrual basis for the year ended 31.12.2019 in Mithun's business was Rs.120 000. Following information is provided for you in relation to the year 2019.

	As at 2019.12.31 Rs.		**As at 2019.01.01 Rs.**
Accrued income (receivables)	14 000		20 000
Income received in advance	19 000		7 000

Profit for the year 2019 on cash basis would be **(Rs. '000):**

(1) Rs.102 (2) Rs. 112 (3) Rs.128 (4) Rs.138 (5) Rs. 182

(...............)

09. The drafted profit calculated for the year ended 31.12.2020 in a business was Rs. 74 000. In later examinations the following errors were found:

(1) A receipt of bad debts Rs. 21 000 has been recorded as a bad debts written off
(2) Total of the commission received account Rs.8 000 has been debited to the trial balance as Rs. 18 000
(3) Rs. 12 000 the total of return outwards journal has been credited to the purchase account

Which of the following shows the balance was in the suspense account prior to correction of the above errors and the correct profit.

SR No	Balance in the Suspense account (Rs.'000)	Correct Profit (Rs. '000)
1	Credit 2 000	32 000
2	Debit 2 000	48 000
3	Debit 24 000	116 000
4	Debit 26 000	142 000
5	Credit 26 000	142 000

(...............)

10. Information extracted as at 31.03.2020 from "Oluvila Gardens PLC" is given below (Rs. 000)

31.03.2019			31.03.2020		
Stocks	-	800	Increase in stocks	-	200
Creditors	-	1 000	Decrease in creditors	-	400

Additional Information:

- Payments to creditors - Rs. 2,000 000
- Cash sales - Rs. 150 000
- Gross profit ratio is 20%
- Income tax estimation - Rs. 10 000

(Income tax rate 25%)

Credit sales and net profit for the year respectively would be:

SR No	Credit sales Rs.	Profit Rs.
1	2 850 000	40 000
2	100 000	30 000
3	2 850 000	600 000
4	3 000 000	100 000
5	1 600 000	30 000

(...............)

11. The Trainee Accounts Assistant of a business has calculated its gross profit and net profit for the year ended 31.03.2019 as Rs. 110 000 and Rs. 80 000 respectively. Following accounting errors and omissions were subsequently identified.

- Stock stolen Rs.30,000 has been omitted from the books.
- The cost of inventories recorded in the financial statements was Rs. 40 000. No adjustment has been made to record the net realizable value of the same inventories amounting to Rs. 36 000
- Discount allowed amounting to Rs. 8 000 has been considered as a discount received.

The gross profit and net profit after correcting above accounting errors and omissions were respectively.

	Gross profit (Rs.)	Net profit (Rs.)
(1)	80 000	60 000
(2)	80 000	34 000
(3)	140 000	60 000
(4)	140 000	30 000
(5)	110 000	34 000

(...............)

12. Salary details for the month of March 2020 are as follows:

		Rs.
Net Salary	-	620 000
Festival Advance	-	100 000
EPF Contribution (Employer)15%	-	120 000
ETF Contribution (Employer)	-	24 000

Gross salary for the month of March 2020 and employee related total cost would be:

SR No	Gross Salary Rs.	Employee related total Cost Rs.
1	900 000	944 000
2	800 000	944 000
3	720 000	944 000
4	620 000	744 000
5	620 000	720 000

(...............)

13. Following information has been provided for you in relation to machinery?

		Rs. '000
Purchase price	-	500
Custom duties	-	100
Fixing cost	-	200
Removing cost of the existing machine	-	150
Cost of producing samples	-	50
Income earned by selling samples	-	80
Residual value	-	100

Expected life time 20 years

What would be the cost of the machinery and the depreciation expense for the first year?

SR No	Cost (Rs. '000)	Depreciation Expenses (Rs. '000)
1	970	43.5
2	920	41
3	880	44
4	780	34
5	780	44

(...............)

14. Information related to debtors control accoutn as at 31.03.2020 are as follows: (Rs. '000)

Debtor	Sales	Return Inwards	Cash Received	Balance as At 31.03.2020
A	1 500	500	800	500
B	700	-	400	500
C	300	200	-	500

It is the policy of business to proide 10% provision for doubtful debts.

Balance in the debtors control account as at 01.04.2019 and the annual net increase or decrease in **net debtors** balance would be:

SR No	Balance in the Debtors Control Account (Rs. '000)	Net change (Rs. '000)
1	1 700	Increase of 40
2	1 500	Increase of 1 350
3	1 500	Decrease of 1 350
4	900	Decrease of 540
5	900	Increase of 540

(...............)

Use the following information to answer question Nos. 15 and 16

Chamara and Dias carrying out a partnership sharing profits and losses equally. On 01.04.2019 Sugath joined to this partnership as a new partner and he brought Rs. 500 000 as his share of goodwill.

Also he brought a vehicle worth of Rs. 200 000 and decided to adjust these through capital accounts.

Conditions in the new partnership agreement are as follows:

- Profits and losses should be shared equally
- Chamara, Dias and Sugath are entitled for an annual salary of Rs. 60 000, Rs. 80 000 and Rs. 40 000 respectively.
- The net profit for the year ended 31.03.2020 was Rs. 270 000
- Chamara has been taken his salary in cash and there was an expense of Rs. 10 000 to be reimburse to Chamara.
- Balance as at 01.04.2019 are as follows: (Rs. '000)

	Chamara	**Dias**
Capital Account	300	300
Current Account	100	200

15. Balance in Chamara's capital account as at 31.03.2019 and the impact to his total equity after all the above adjustments would be:

SR No	**Balance in the capital Account (Rs. '000)**	**Net impact to the Chamara's equity (Rs. '000)**
1	200	710
2	300	110
3	400	400
4	400	140
5	550	290

(............)

16. Balance in the Current Account of Dias and the total equity of the business would be:

SR No	**Balance in the current Account (Rs. '000)**	**Net impact to the Total equity (Rs. '000)**
1	200	900
2	280	920
3	300	910
4	310	920
5	310	1 320

(............)

17. Following information were extrcted from the trial balance of a public limited company as at 31.03.2020

	Debit Rs. '000		**Credit Rs. '000**
Provision for income tax 2018/19			80
Income tax paid	230		

Other Information:

Income tax estimation for the last quarter of 2019/20 was Rs. 50 000 and tax paid Rs. 60 000 for the year 2018/19 was included in the tax payment.

Income tax expense for 2019/20 that should be deducted in the income statement and total income tax estimation for the year 2019/20

SR No	**Income tax expense of 2019/20 (Rs.'000)**	**Income tax estimation for the year 2019/20 (Rs. '000)**
1	170	50
2	170	80
3	200	200
4	200	220
5	220	220

(...............)

Use the following information to answer question number 18, 19 and 20

Information extracted from "Kinglong PLC" for the year ended 31.03.2020 are given below**:**

		Rs. '000
Sales income	-	2 000
Cost of sales	-	500
purchases	-	300
Profit on disposal of motor vehicle	-	400
Surplus on land revaluation	-	500
Receipts from debtors	-	200
Operating expenses	-	300
Payment of dividend	-	200
Trade discount received	-	100
Income tax	-	100

A loss of Rs. 300 000 has been incurred on the first time land revaluation done on 31.03.2019

18. Total income of the business would be **(in Rs. '000)**

1) Rs. 2 000   2) Rs. 2 300   3) Rs. 2 400
4) Rs. 2 900   5) Rs. 3 100

(............)

19. Net profit for the year and total comprehensive income would be **(Rs. '000)**

SR No	**Net profit for the year**	**Total comprehensive Income**
1	1 200	2 000
2	1 200	1 800
3	1 800	2 000
4	1 800	1 800
5	2 100	2 300

(............)

20. Other comprehensive income and the annual increase or decrease in retained earnings as at 31.03.2020 (Rs. '000)

SR No	**Other comprehensive income**	**Increase/Decrease**
1	200	1 800
2	200	2 100
3	200	1 600
4	500	1 800
5	500	1 900

(............)

21. Following are some elements of cost of inventory.

A - Purchase price
B - Direct labour
C - Office rent
D - Depreciation of machinery
E - Carriage inwards
F - Insurance of factory stocks

Which of the above elements fall into the category of conversion cost?

1) A B and E   2) C and D   3) B D and F
4) E and F   5) C only   **(..............)**

22. The accounting year of Panduka Pura PLC ended on 31.03.2019. The directors authorized the issue of financial statements on 01.06.2019. The annual general meeting of the company was held on 15.07.2019. The following events took place in relation to the company after 31.03.2019.

A A buillding was destroyed by a whirl wing on 12.05.2019
B The inventory as at 31.03.2019 Rs.150 000 on cost and it was sold on 10.05.2019

lower than cost amount

C Directors have proposed a final dividend on 01.07.2019, Rs.2.50 per share for the year ended 31.03.2019

D A debtor as at 31.03.2019 was declared bankrupt on 01.07.2019

Which of the above events should be adjusted in the financial statements for the year ended 31.03.2019.

1. A & D only 2. A B & D only 3. A B C & D only
4. B only 5. D only

(.............)

23. Following information has been extracted from Lakmal PLC as at 31.03.2019.

Profit for the year	300 000
Depreciation of PPE	70 000
Disposal loss of PPE	20 000
Annual Interest expenses	10 000
Net increase of working capital	50 000

It has been estimated that the income tax for the year ending 31.03.2019 is ¼th of the profit before tax and paid Rs. 75 000. Paid interest expenses Rs. 5 000

The net cash flow generated from the operating activities.

(1) Rs. 70 000 (2) Rs. 225,000 (3) Rs. 290 000
(4)Rs. 370 000 (5) Rs. 450 000 **(.............)**

24. The following information are related to raw materials "P" used by a manufacturing company

Monthly consumption	-	Units 500
Unit cost	-	Rs. 30
Cost of an order	-	Rs. 40

Holding cost is 10% of the unit cost calculates the times should be ordered during a year, economic order quantity (EOQ) and annual holding cost of this raw material

	EOQ (Units)	**Times should be ordered**	**Annual holding cost**
1	280	12	200
2	300	20	600
3	300	40	200
4	400	12	300
5	400	15	600

(..............)

25 The gross profit ratio of Ashcharya PLC for the year ended 31.03.2019 was 25% on sales. This has increased up to 30% for the year ended 31.03.2020.

What could have been a reason for the increase in gross profit ratio of the company?

(1) An increase in the cost of purchases during the year ended 31.03.2020
(2) An increase in the volume of sales during the year ended 31.03.2020
(3) An increase in the trade discount allowed on sales during the year ended 31.03.2020
(4) An over valuation of inventories as at 31.03.2020
(5) An under valuation of inventories as at 31.03.2020 **(................)**

26. Anushka Limited provides following information

Current liabilities as at 31.03.2020......................	Rs. 4 000 000
Acid test ratio	1.5:1
Current ratio	2.25:1

What is the value of inventories of the company as at 31.03.2020?

(1) Rs. 3 000 000 (2) Rs. 4 000 000 (3) Rs. 9 000 000
(4) Rs. 6 000 000 (5) Rs. 15 000 000 **(.............)**

27. Following information relates to a product of manufacturing company

Direct material used	?
Direct labour	1 000
Production overhead	?
Total production cost	4 500

The overhead absorption policy should be 75% of the direct material cost what would be the direct materials cost and overhead cost

	Direct material cost (Rs. '000)	Overhead cost (Rs. '000)
1	2 625	875
2	1 000	500
3	2 000	1 500
4	1 500	2 000
5	2 000	1 000

(.............)

28. Thilina Limited provides following information.

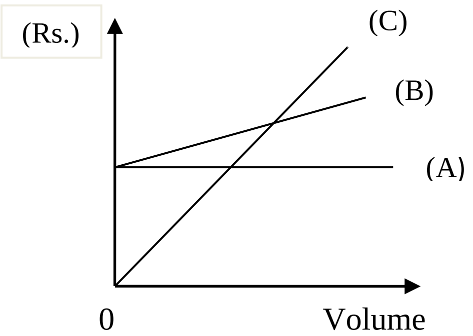
Selling price per unit .... Rs. 100
Total fixed cost .... Rs. 90 000
Variable cost Ratio .... 60% on selling price

What is the sales revenue in the break even point?

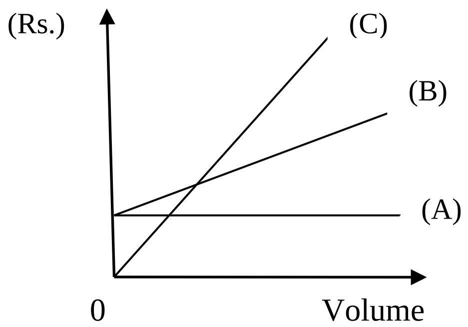
(1) Rs. 36 000 (2) Rs. 90 000 (3) Rs. 126 000
(4) Rs. 150 000 (5) Rs. 225 000 (................)

29. Ruvandi Limited manufactures two products. The graphs (drawn to the same scale) given below show the projected sales and cost information for products X and Y.

Product X



Product Y



(A) - Total Fixed Cost **(B) - Total cost** **(C) - Total Revenue**

Which statement most accurately interprets the above graphs?

1. Product X breaks even at a lower number of units sold than product Y
2. Product X has lower fixed costs than product Y
3. Product X has a lower selling price per unit than product Y
4. Product X has a lower variable cost per unit than product Y
5. Both products break even at the same number of units sold **(................)**

30. Senali Company Limited is in the process of appraising a new project. Which will cause a capital investment to be more acceptable to the company?

A - A decrease in the discount rate applied to the Project
B - A decrease in the operating cost of the project
C - An increase in the discount rate applied to the project
D - An increase in the depreciation charged to the project

(1) A and B only (2) A and D only (3) B and C only
(4) C and D only (5) B and D only **(.................)**

- **Write short answers for questions No 31-50 on the dotted line**

31. State whether the following statements are true or false by marking (✓) and (×)

A	Financial accounting presents only historical data	
B	Ownership of an asset which acquired under a financial lease will not be transfer to business until the payment of the final lease installment	
C	The VAT inclusive sales price is considered as income in recording sales of a company which is registered for VAT	
D	Only stock values included in the income statement are considered in calculating the stock turnover ratio but not the stock value in the statement of financial position	

32. The following information has been given to identify the stock loss due to the fire occurred on 30.04.2020 in a particular business:

		(Rs. '000)
• Cost of the stock as at 31.03.2020	-	180
• Net realizable value of the stock as at 31.03.2020	-	160
• Total of purchase journal for April	-	1 500
• Total of return outwards journal for April	-	400
• Sales income for April	-	1 500
• Gross profit ratio	-	50%

Value of stocks rescued from the fire were Rs. 50 000 and stocks in transit were Rs. 80 000. Calculate the value of stocks damaged by the fire.

..……………………………………………………………………………………………………….

33. A motor vehicle with a fair value of Rs.1 500 000 has been revalued on 31.03.2020 for the second time and earned a revaluation surplus of Rs.500 000 from this revaluation. A loss of Rs. 100 000 had been incurred on the previous revaluation from this motor vehicle. Depreciation for the year is Rs.200 000

A) Calculate the new revalued amount of this vehicle

……………………………………………………………………………………………..

B) Show journal entries relevant to record the revaluation surplus

……………………………………………………………………………………………..
……………………………………………………………………………………………..
……………………………………………………………………………………………..

34. The current ratio of a particular company is 2:1. State the changes of that current ratio on the Occurrence of the following situations (Indicate whether increasing, decreasing or no change)

A	Purchase of stocks worth of Rs. 500 000 on credit	
B	Obtained a long term bank loan for Rs. 500 000	
C	Written off of a stock value of Rs. 200 000	
D	Receipt of Rs. 400 000 from a debtor	

35. Mark a tick in the appropriate column to indicate whether the following cash flows, operating investing or financing

	Cash flow	Operating	Investing	Financing
A	Rent Income generated from building			
B	Dividends paid to ordinary share holders			
C	Cash paid to creditors			
D	Re-payment of bank loan			

36. Following information are given in a manufacturing company during an accounting period.

Cost of raw material purchased	Rs.	500 000
Direct labour cost	**Rs.**	300 000
Selling & Distribution cost	**Rs.**	75 000
Financial & other cost	**Rs.**	25 000
Total production cost	**Rs.**	1 025 000
Increase in raw material stock	**Rs.**	50 000
Decrease in work-in-progress stock	**Rs.**	25 000

(Valued on total production cost)

A. Prime cost: ....

B. Production overhead cost: ....

C. Period cost: ....

37. State the accounting concept that is related most to each of the following situations.

A - The balance of debtors and creditors are recognized in the statement of Financial Position

B - The provision for doubtful debts is recognized in financial statements

C - If it was paying the owners insurance premium from the cash of business but it is not included in the income statement

D - Categorizing assets and liabilities in financial statements as current and non current.

Item	**Concept**
A	....
B	....
C	....
D	....

38. State 2 difference between capitalization of reserves and right issues

	Capitalization of reserves		Right issues
1	....	1	....
2	....	2	....

39. State it could be recognized as a cost of an asset at initial recognition as per LKAS 16 (property plant& equipment) for following items.(the business is not registered for VAT)

Item		**Recognition as cost (Yes/No)**
A	Purchase price	....
B	Cost of Employees training	....
C	Cost of initial trial	....
D	VAT paid	....

40. Following information are provided Power PLC which sells electric items with a one year warranty period for the year ended 31.03.2019

provision for warranty as at 01.04.2018	Rs.	90 000
Total sales for the year	Rs.	2 000 000
The warranty expenses paid in relation to previous year	Rs.	50 000

Estimated 10% of sales value should be made as a provision for warranty

A. Calculate the balance of the provision for warranty account as at 31.03.2019

....

B. What is the amount of warranty expenses which is adjusted in the income statement for the year ended 31.03.2019 ………………………………..

41. A machine was acquired under financial lease on 01.04.2018 for Rs. 2 000 000. The lease term period is 4 years. Lease interest and the installment of the first year was Rs. 320 000 and Rs. 700 000 respectively. Capital repayment of the 2nd year and the 3rd year was Rs. 460 000 and Rs. 540 000. As at 31.03.2020 lease installments have been properly paid

A	Lease interest for the year 2019/2020	
B	Current liability as at 31.03.2020	
C	Noncurrent liability as at 31.03.2020	
D	Total lease liability as at 31.03.2019	

42. Following information are given about raw materials of Thamara manufactures

Minimum stock level - 20 000 units
Re-order quantity - 30 000 units
Average stock level - 35 000 units
Minimum expected time - 05 days
Minimum daily consumption - 2 000 units
The re-order level is -

....

43. When a company produces 2000 units, total costs per unit is Rs. 80 and prime cost per unit is Rs. 50.If overheads are being absorbed by using machine hours. Actual machine hours are 500. What is the overhead absorption rate? ....

44."Ranmith PLC" has calculated its cost of sales for the year ended 31.03.2019 as Rs. 180 000. However when calculing the cost of sales following items have been ignored.

a) Stock costing Rs. 30 000 which purchased in March were in transit as at 31.03.2019 this has not been included in the inventory records.
b) Stock item which costs Rs. 5 000 has been sold shortly after the balance sheet date for Rs. 4 000
c) Stocks sent on sale or return basis invoiced at Rs. 36 000(profit 20% on cost) has not been sold at the end of accounting period. The return period of these goods has not yet expired.

...

45. Information related to changes in equity of "Mahaweli PLC" are as follows:

Balances as at 01.04.2019		**Rs. '000**
Ordinary shares at Rs. 10 each	-	8 000
Revaluation reserve (building)	-	500
General reserve	-	500
Retained earnings	-	800

Additional Information:

- Profit for the year - Rs. 500
- Loss incurred on building revaluation - Rs. 200
- Payment of dividends during the year - Rs. 300
- Capitalization of reserves - Rs. 400
- Transfer to general reserves - Rs. 100

Using the above information calculate following for the year ended 31.03.2020

A - Stated capital of the company - ………………………………………

B - Total reserves of the company - ………………………………………

46. A company manufactures a single product and sells at Rs. 50 per unit. The following information relates to two activity levels:

Number of Units produced	**Cost per unit (Rs.)**
2 000	60
3 000	50

A) Fixed cost per unit at 3000 units?.....................................

B) variable cost per unit?.................................

47. The current account balances of Sadun and Kasun partnership are as follows

	As at 31.03.2019 (Rs. '000)	**As at 31.03.2018 (Rs. '000)**
Sadun	480	250
Kasun	470	300

The terms of the partnership agreement are as follows:

- Sandun and Kasun are entitled to an annual salary of Rs.120 000 and Rs.180 000 respectively.
- Profits and losses are shared between Sadun and Kasun in the ration 3:2 respectively salaries of Rs. 100 000 and Rs. 150 000 have been paid to Sandun and Kasun respectively during the year ending 31.03.2019.

What is the amount of profit earned by the partnership during the year ending 31.03.2019?

....

48. The cost data of a manufacturing company at 1000 units is given below

Direct material	Rs.	30 per unit
Direct wages	Rs.	50 per unit

Variable overheads:

- Production	Rs.	20 per unit
- Non-production	Rs.	30 per unit

Fixed overheads:

Production	Rs.	100 per unit
Non-production	Rs.	60 per unit

Calculate the following for a target production of 2 000 units

A. Total production overheads Rs. ....

B. Total overheads Rs. ....

C. Total variable cost Rs. ....

49. The following information relates to product X manufactured by a company

Variable cost	Rs.	210
Fixed cost	Rs.	180 000

Contribution sale ratio 30%

Calculate the following

(A)Break-even point Rs. ....

(B) Expected profit at 2 200 unit level Rs. ....

50. Ashanthi PLC is considering to purchase a new machine. If this machine is bought. The machine in use at present could be sold Rs. 400 000. The useful life of the new machine is 4 years and other information related to it is as follows.

Purchase price of the machine	Rs.	1 200
Cost of installation	Rs.	100
Residual value at the end of year 4	Rs.	240
Working capital required at the beginning	Rs.	200
Annual expected cash inflow	Rs.	480
Annual depreciation	Rs.	265

Calculate the following

(A)Initial investment(net) **Rs. ....**

(B) Total inflow for year 4 **Rs. ....**