

MARKING SCHEME – 2022 Revision paper 28

PART I

- | | | | | |
|------|-------|-------|-------|-------|
| 1) 4 | 6) 3 | 11) 5 | 16) 2 | 21) 3 |
| 2) 5 | 7) 4 | 12) 1 | 17) 3 | 22) 3 |
| 3) 2 | 8) 3 | 13) 3 | 18) 2 | 23) 1 |
| 4) 2 | 9) 5 | 14) 4 | 19) 3 | 24) 2 |
| 5) 1 | 10) 1 | 15) 5 | 20) 4 | 25) 2 |

- 26) i) Prudence
 ii) Matching
 iii) Periodicity
 iv) Realization / Accrual

- 27) a) Supun Rs.735 000
 b) Navin Rs.579 000

- 28) a) Supun Rs.1 975 000
 b) Navin Rs. 1 125 000
 c) Himesh loan account balance 1 408 000

29)

I. Share issue Account		Rs(000)	
Cash	1 000	Cash	4 000
Share capital	3 000		
	4 000		4 000

- II. Journal Entry to Allotment of shares
- | | | |
|---------------|----|-------|
| Share issue | Dr | 3 000 |
| Share Capital | Cr | 3 000 |

III. Statement of Changes in Equity

Description	OSC	GR	RR	RE
Total Comprehensive Income			800	1 000
Share Issue	3 000			

30)

	Item	Partnership	Limited Company
1	Payment of partners wages	Decrease	-
2	Adjusting goodwill through capital account	No change	-
3	Right issue of shares	-	Increase
4	Proposed dividend of ordinary share holders	-	No change

31)

	Source Document	Purpose
1	Material Requisition Note	To request material from the stores
2	Purchase Requisition Note	Request to purchase material
3	Goods received Note	To acknowledge receipt of material
4	Purchase Order	To order required material from supplier

32)

	Situation	Changes in Accounting Policies Yes/No
A	Changed the ratio of provision for Doubtful debts on the balance of the year end debtors	No
B	Changed the method of evaluation of inventories from FIFO to WAC	Yes
C	Changed the useful life time of Motor vehicle from 10 years to 8 years	No
D	Recording the value of PPE on cost model for last years and from the current year records on revaluation model	Yes

33) 300 kg

34) I) Lease interest Rs.60,000

II) Lease liability - current - Rs.154,000
- Non current - Rs.306,000

- 35)
1. If the stock turnover ratio is increased, liquidity is increased.....**True**.....
 2. Due to new share issues, debt to equity ratio is decreased..... **True**.....
 3. If the interest coverage ratio is reduced, the ability to pay interest is reduced... **True**.....
 4. If the total asset turnover ratio is reduced, asset efficiency is increased.....**False**.....

(25x3)
(10x2.5)
(Total marks 100)