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 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

ගිණුම්කරණය I
 கணக்கடு I
 Accounting I

33 E I

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 ஒரு மணித்தியாலங்கள்
 One Hour

Instructions:

18 Weeks more

Paper No 30

*Answer all questions in Part II

*Relevant workings should be attached to the answer script

PART II

01. A and B are carrying out a partnership business under the following agreement

- Sharing profit and losses in the ratio of 3:2
- 10% interest on opening capital balances
- Annual salaries of Rs. 150 000 and Rs. 140 000 are paid to A and B

On 01.04.2018 C was admitted as a new partner under the following conditions.

- C is entitled for 1/6 share of profit
- Goodwill of the partnership was valued for Rs. 1 200 000 and adjustments relating to this should be made through partner's capital account
- Rs. 120 000 is paid as salaries for C
- Capital introduced by C was Rs. 2 200 000

Following current accounts are prepared before adjusting the goodwill for the year ending 31.03.2019.

Current Accounts							
	A	B	C		A	B	C
Drawings	200	250	150	B/B/F	200	150	-
Salaries	100	100	80	Interest	300	250	220
Interest on Capital	150	140	100	Salaries	150	140	120
B/C/D	1 100	650	310	Share of Profits	900	600	300
	1 550	1 140	640		1 550	1 140	640

Following errors were revealed later examination

- Stock drawings made by A B and C are Rs. 50 000 Rs. 60 000 and Rs. 40 000 respectively No record had made for this regard
- The cost value of Land and Building was Rs. 2 500 000. Land value of Rs. 1 000 000 also depreciated 10% on cost by the business mistakenly
- Following expenses paid by partners have not been considered in preparing the accounts.
 A - Travelling expenses Rs. 30 000
 B - Sales expense Rs. 50 000
- Cash received from debtors Rs. 50 000 which is written off as bad debts. Has been debited to cash account and credited to the debtors control account.
- Advance received for sales Rs. 1 000 000 had been recognized as sales.
- Cost of Building improvement Rs. 150 000 has been debited to the building repair account.
- Interest has not been calculated on loan provided by A Rs. 1 500 000

Required:

- Profit of the partnership before adjusting above entries
- Profit correction Statement

- (3) Appropriation Account
(4) Capital account
(5) Current Accounts

(Total 30 Marks)

02. Athula and Bandu were partners of a trading firm sharing profits and losses in the ratio of 3:2
Following information has been extracted from the books of the business as at 01.04.2019.

Assets	Rs. '000
Property, Plant and Equipment (Cost Rs. 11,000,000)	9 200
Stock	2 400
Trade Receivable	2 000
Cash	4 400
Current Account Balances	
Athula	400
Bandu	600
Liabilities	
10% Bank Loan	1 000
Trade Payable	2 000

Additional Information

- Athula and Bandu have contributed to capital according to their profit sharing ratio.
- Goodwill on admission of a partner should be adjusted through partner's capital accounts
- Charith has been admitted as a new partner on 01.04.2019 by introducing Rs. 2,800,000 on cash and Rs. 2,000,000 worth of office furniture
- New agreement of partners on admission of Charith is as follows:-
 - $\frac{1}{4}$ of share of profit to be distributed among new partner.
 - Agreed to pay 10% interest on capital based on year end balances of capital accounts
 - Partners salary per month is Rs. 50 000
 - On admission of Charith estimated goodwill of the partnership was Rs. 1,000,000 and it should be adjusted through partner's capital accounts.
- Bandu has provided a loan of Rs. 1,200,000 on 30.09.2019 to the partnership
- 50% of purchases and total sales have been made on credit basis.
- Drawings of the partners for the year ended 31.03.2020 are as follows:

Partner	Cash Drawings (Rs.)	Goods Drawings (Rs.)
Athula	120 000	30 000
Bandu	120 000	-
Charith	60 000	100 000

- The amount collected from the debtors for the year ended 31.03.2020 was Rs. 15,000,000 and the amount paid to creditors during the year was Rs. 3,600,000
- Operating expenses of Rs. 300 000 has been paid during the year ended 31.03.2020
- Composition of Property, Plant and Equipment as at 01.04.2019 is as follows:-

Asset	Cost (Rs.)	Acc. Depreciation (Rs.)	Depreciation Method
Land	3 000 000	-	-
Building	5 000 000	1,000,000	10% on Straight line method
Motor Vehicle	2 000 000	800,000	20% on reducing balance method
Office furniture	1 000 000	-	5% on Straight line method

xi) Some of the assets and liabilities as at 31.03.2020 were as follows:-

Closing stock	-	Rs.	1,000,000
Debtors	-	Rs.	2,400,000
Creditors	-	Rs.	1,200,000
Accrued expenses	-	Rs.	530,000

Required:

- i) Income statement of the partnership for the year ended 31.03.2020 including appropriation account
- ii) Current account and capital account of the partners as at 31.03.2020
- iii) Extraction of Statement of financial position as at 31.03.2020 by showing Property Plant and Equipment items and cash balance

(20 Marks)