



தொண்டைமானாறு வெளிக்கள நிலையம் நடாத்தும்
ஆறாம் தவணைப் பரீட்சை - 2022
Conducted by Field Work Centre, Thondaimanaru.
6th Term Examination - 2022

கணக்கீடு I

Accounting I

Two Hours

Gr -13 (2022)

33

E

I

Instructions:

- Answer **all** the questions **on this question paper itself**.
- Write your **Index Number** clearly in the space provided above.
- Select the correct answers for the questions No. 1 – 30 and write its number on the dotted lines given.
- Write short answers for the questions No. 31 – 50 on the dotted lines given.
- Each question carries **two** marks.

For examiner's use only

Q.No.	Marks
1 – 30	
31 – 50	
TOTAL	

01) What is the main function of 'special purpose financial statement'?

- 1) Providing required information to stake holders
- 2) providing information to internal and external parties
- 3) providing information to external parties to take decision making
- 4) providing information to managers to take decision making
- 5) Providing information to Audit firms

02) Following transactions extracted from "RAAMAN" traders.

- A – Posting to the ledgers
 B – Preparing the source documents
 C - Take place the transaction and Event
 D – Recording in the prime book
 E – Preparing the financial statement

Proper Accounting Information's steps

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

03) KAPI Trader paid bank loan installment of Rs 18,000 which include interest of Rs. 3,000 which of following is effect on accounting equation?

Liabilities		Equity	
1. Decrease	Rs 3,000	Increase	Rs 3,000
2. Decrease	Rs 15,000	Decrease	Rs 3,000
3. Decrease	Rs 18,000	Increase	Rs 18,000
4. Decrease	Rs 18,000	Decrease	Rs 18,000
5. Decrease	Rs 21,000	Decrease	Rs 21,000

04) Mathan sold goods with a list price of Rs 100,000 on credit to Pranavan on 01/04/2021 after allowing a 10% trade discount the cost of these goods was Rs 60,000. goods with a sales value of Rs. 30,000 (cost Rs 20,000) was returned by Pranavan on 15/04/2021 Mathan received cash with 5% discounts. The sequence of source documents used to record these transactions in Pranavan's traders?

- 1) Invoice, credit note and receipt
- 2) sales day book, Return inwards and cash payment journals
- 3) Invoice, debit note, and voucher
- 4) purchase day book, Return outwards and cash payment journal
- 5) Invoice, Debit note, and general journal

05) Which of the following is primary Qualitative characteristic of financial information as per the conceptual framework for financial reporting followed in Sri Lanka?

- 1) Comparability
- 2) Relevance
- 3) verifiability
- 4) Timeliness
- 5) Understandability

06) Which of following concept help to classify liability and assets as current asset and non-current asset and current liability and non-current liability in the financial position.

- 1) Prudence
- 2) Business entity
- 3) Going concern
- 4) Periodic
- 5) Historical

Answer the questions no 07 and 08 using following information

All cash Receives and payments are conducted through bank current account. The bank statement shows credit balance of Rs. 32,000 at 31/03/2022. It is defer from cash control account by only unrealized cheque Rs 18,000. The following information are extracted from cash receives and payments journals and bank statement

Total cash receives journals for the month march	Rs 130,000
Total cash payment journals for the month march	Rs 115,000
Credited cheque in March	Rs 128,000
Presented cheque in March	Rs 102,000
Omitted items by cash control account	
Direct deposit	Rs 9,000
Bank charged	Rs 3,000

07) Unpresented and Unrealized cheque for the month of March respectively.

- 1) Rs 13,000, Rs 2,000
- 2) Rs 20,000, Rs 13,000
- 3) Rs. 13,000, Rs 46,000
- 4) Rs. 13,000, Rs 20,000
- 5) Rs 16,000, Rs 20,000

08) The amount to be recorded in the financial position as bank balance at 31/03/2022

- 1) Rs 71,000
- 2) Rs 53,000
- 3) Rs 21,000
- 4) Rs 39,000
- 5) Rs 47,000

09) An entity reported a profit of Rs 400,000 for the year ending 31/03/2022. However in subsequent investigation, the following errors were revealed in the accounting books

- A** Cash discount of Rs 10,000 allowed by creditor has been posted only in the creditors control account
- B** An interest paid of Rs 30,000 for bank loan has been credited to interest income account
- C** Total of sale journal of Rs 470,000 has been recorded as 740,000 in the debtors control account and sales account.

What is the correct profit for the year ending 31/03/2022?

- 1) Rs 320,000
- 2) Rs 80,000
- 3) Rs (320,000)
- 4) Rs 110,000
- 5) Rs (80,000)

10) Following information extracted from MULLU traders at 31/03/2022

	31/03/2021	31/03/2022
Allowance for expected loss on trade receivable	Rs 23,000	Rs 30,000

Additional Information

Trade receivable of Rs 25,000 was written off as expected loss on trade receivable during the financial year of 2021 / 2022. Balance of expected loss and allowance for expected loss on trade receivable to be recorded in the income statement for the financial year ended at 31/03/2022

- 1) Rs 55,000 2) Rs 32,000 3) Rs 53,000
 4) Rs 25,000 5) Rs 48,000

11) Daru manufacturing firm disclose the following Information for the month of April 2022

Raw material purchased	Rs 640,000
Direct wages	Rs 40,000
Production over head	Rs 260,000
Increase in (WIP) work in progress	Rs 20,000
Decrease in raw material	Rs 80,000
Number of production produced	500 units

Which of following are prime cost and cost of production per unit respectively?

- 1) Rs 1000,000, Rs 1,520 2) Rs. 760,000, Rs. 1,520 3) Rs 1000,000, Rs 2,000
 4) Rs 740,000, Rs 2,000 5) Rs 760,000, Rs 2,000

12) SASI traders registered with VAT at 10% and information for the month April 2022 as follows

Sales including VAT	Rs 176,000
Purchase excluding VAT	Rs 90,000
Purchase Return including VAT	Rs 5,500
VAT paid during the month	Rs 3,500

Find out VAT amount to be shown in the financial position as at 30/04/2022

- 1) Liability Rs 7,500 2) Asset Rs 4,000 3) liability Rs 4,000
 4) Asset Rs 5,650 5) Liability Rs 5,650

13) **STEF** is conducting separate manufacturing factory and sales outlets, the entire stock was destroyed due to fire on 31/03/2022

Details	Raw materials	Finished goods
Stock at 01/04/2021	100,000	200,000
Purchase of RAW materials	420,000	-
Stock at 31/03/2022	50,000	?

Other information

Production cost except direct material Cost in the financial year Rs 180,000
 Total sales Rs 900,000

The business sells goods with profit margin 20% on production cost.

Which of following are total production cost and stock loss respectively

- 1) Rs 650,000, Rs 50,000 2) Rs 650,000, Rs 100,000 3) Rs 650,000, Rs 150,000
 4) Rs 700,000, Rs 130,000 5) Rs 700,000, Rs 100,000

14) The following information relates to motor vehicles owned by a firm

	Rs '000'
Motor vehicle at cost as at 01/04/2021	4000
Accumulated depreciation as at 01/04/2021	750
Proceeds from the sale of a motor vehicle on 01/10/2021 (purchased on 01.04.2019 at a cost of Rs 1500,000)	1000
Purchase of a motor vehicle on 01/01/2022	5000

The motor vehicles are depreciated at 10% per annum on cost on the straight line method and are available for use from the date of purchase. What are the depreciation for motor vehicles and the loss on the sale of the motor vehicle during the year ending 31/03/2022?

	Depreciation Rs	loss Rs
1)	375000	200000
2)	400000	350000
3)	450000	125000
4)	525000	500000
5)	900000	50000

15) The information from MATHAVA sports club there are 300 members in a club as at 31/12/2021 monthly subscription is Rs 50/=. At the end of 2021, 5 member Failed to pay their current year subscription and 6 members paid their 6 month subscription for 2022 during the financial year. Life subscription fee received of Rs. 60,000 and it should be written off at 10% as income. Out of total members which include 50 life members. 15 members failed to pay their subscription at 31/12/2022 and 8 members have paid their subscription for the year 2023.

The Amount to be shown in the income and expenditure and, receipt and payment account regarding with subscription for the year 2022

- 1) Rs 156,000, Rs 207,000 2) Rs 240,000, Rs 243,000 3) Rs 150,000, Rs 60,000
4) Rs 180,000, Rs 243,000 5) Rs 156,000, Rs 183,000

16) The management of Tharani PLC drafted its financial statement on 17th may 2022. For the year ended at 31st march 2022. The board of directors reviewed them on 1st June 2022 and signed the financial statements on 10 June 2022. financial statement were made available to the stakeholders on 22nd July 2022 and they authorized on 25th july 2022

What is the time period applicable for identifying the events occurring after the financial position date of tharani PLC as per LKAS 10?

- 1) from 31st march to 17th may 2022
2) from 31st march to 1st june 2022
3) from 31st march to 10th june 2022
4) from 31st march to 22nd july 2022
5) from 31st march to 25th july 2022

• Answer the questions no 17, 18 and 19 by using the following information

Information related with partnership of partners sivan, suthan and sathan and details as follows

A - suthan's annul salary of Rs 24000

B – Salary only Rs 12000 was paid during the financial year

C – Profit sharing among the partners are Rs 40000, Rs 30000 and Rs 20000 respectively

D – There is no entry for payable Interest loan Rs 3000 given by partner sathan

E – There is no record for goods drawings of Rs 3,000 and 2,000 by partners sivan and sathan respectively

Employers contribution		
EPF 15%	210	
ETF 5%	70	280
All the payments related with salary is paid on 15 th of the next month		

22) What is the total cost of salary recognized in the income statement of the month of March 2022?

- 1) Rs 1400,000 2) Rs 1680,000 3) Rs 1610,000
4) Rs 1440,000 5) Rs 1160,000

23) What is the EPF expense and EPF payable recognized in financial statement as at 31/03/2022

- 1) Rs 140000, Rs 210000 2) Rs 210000, Rs 140000 3) Rs 210000, Rs 280000
4) Rs 210000, Rs 350000 5) Rs 210000, Rs 420000

24) The following budgeted in Information is related to machine and finishing department of a factory which produces a single Type of doll

Details	Machinery department	finishing department
Required time to produce a unit	5 machine hours	8 labour hours
Overhead absorption rate	Rs 30 per machine hours	Rs 40 per labour hour

Budgeted production cost per unit Rs 1000

What is the budgeted prime cost per unit of this product doll?

- 1) Rs 300 2) Rs 480 3) Rs 530
4) Rs 470,000 5) Rs 150,000

• Use the following information to answer questions No 25, 26, 27

The following Information related to thusi PLC for the year ending 31/03/2022

Description	Rs '000'
Sales	1400
Cost of sales	500
operating expense	400
Profit on motor vehicle disposal	70
Interim dividend paid to share holders	80
Revaluation – surplus (land)	150
– Deficit (Building)	100

A surplus of Rs 80000 had been recognized on the revaluation of building for the year ended at 31/03/2021 the land were revalued for the first time during the year ending 31/03/2022

25) What was the total Income and total expenses recognized for the year ending 31/03/2022 as per Sri Lanka Accounting standard 01

	Sri Lanka Accounting total Income Rs '000'	Total expenses Rs '000'
1)	1620	1000
2)	1620	1080
3)	1700	1000
4)	1520	1080
5)	1520	930

26) What was the profit and other comprehensive income recognized for the year ending 31/03/2022 as per LKAS 01?

	Profit Rs "000"	Other comprehensive income Rs "000"
1)	570	150
2)	620	130
3)	550	50
4)	620	70
5)	550	70

27) What was the total comprehensive income and retained earnings for the year ending 31/03/2022 as per LKAS 01

	Total comprehensive Income Rs '000'	Retained earnings Rs '000'
1)	620	550
2)	640	470
3)	620	470
4)	640	550
5)	720	470

28) What is the total contribution If the following information relates to a single product

Fixed overhead Rs 500000

Margin of safety Rs 250000

Contribution to sales ratio 60%

1) Rs 600000

2) Rs 100000

3) Rs 500000

4) Rs 350000

5) Rs 250000

29) When both the selling price per unit and the variable cost per unit decrease by 20% and fixed cost remain unchanged effect on the contribution per unit and the contribution sales ratio

	Contribution per unit	Contribution sales ratio
1)	Decrease	No change
2)	Decrease	Decrease
3)	Increase	Increase
4)	No change	No change
5)	Decrease	Increase

30) Which of following will lead to a decrease in the net present value of a project while other factors remain unchanged?

A - Decrease in the discounting rate

B - Increase in the discounting rate

C - Decrease in the initial Investment

D - Decrease in net operating cash inflows

1) A and C

2) B and D

3) A, B and D

4) B and C

5) A, B, C and D

• Write short answer for questions from 31 to 50

31) Aarush started a net cafe Business by investing of Rs 400000 on 01/04/2021 and brought a photo copy machine worth of Rs 180000 during the financial year. Business earned total Income and Expense are 200000 and 140000 respectively and withdrew of Rs 25000 for personal purpose during the financial year. ended at 31/03/2022

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a) State any two Items with value which contribute to increase equity on 01/04/2021

1.....

2.....

b) Find out net assets of the business as at 31/03/2022

1.....

2.....

32) State whether the following transaction and events of a business would lead to an increase decrease or no change on the balances of Assets, Liabilities and equity at The end of the Reporting period

Transaction	Assets	Liability	Equity
A – Cash Received from Debtors			
B – Depreciation for reporting period			
C – Lease installment paid			
D – Interim dividend paid			

33) State the source document and the appropriate prime entry book to record each of the following transactions

Transactions	Source document	Prime entry book
A. good returned to Supplier		
B. cash paid to purchase Non-current Assets		
C. Sales of Inventory on credit		
D. Accumulated depreciation of Disposed Assets		

34) state two situation in which a firm would deviate from the historical cost concept when accounting for assets

1.....

2.....

- Use the information to answer the question 35 and 36

Balance from Sri Lanka Telecom Network PLC made a contact with a customer to sell a Network server and to provide maintenance service for Five years from 01/04/2021 cash received of Rs 400000 as transaction price. But market selling price of server and maintenance service for five years are 300000 and 200000 respectively first maintenance service was provided at 31/03/2022 server was installed properly at 01/04/2021

35) Amount to be recognized as income in the income statement for the year ended at 31/03/2022

.....

36) Unearned income as at 31/03/2022?

.....

37) select correct item indicated in parenthesis below denote the nature of characteristics of provision and other liabilities as per LKAS 37 (provisions, contingent liabilities and contingent Assets)

Characteristics	Provisions	Other liabilities
A. Existence of a present obligation (Yes/ No)		
B. Amount payable on settlement (Certain/ uncertain)		
C. Timing of settlement (Certain/ uncertain)		

38) List out The Qualitative characteristic of Accounting Information as per conceptual framework for financial Reporting

- a) I)
 II)
- b) I)
 II)
 III)
 IV)

- Use the following information to answer Questions No 39 and 40

A business carries out all its cash transaction through a bank current account.

Summary of the cash transactions as per books of account for the month of march 2022

Description	Rs “000”
Balance as at 01/03/2022	200
Total of cash Receipt journal as at 31/03/2022	1500
Total of cash payment journal as at 31/03/2022	1200

A summary of bank statement for the month of march 2022 receives on 10/04/2022

Description	Rs “000”
Balance as at 01/03/2022	200
Cheque realized	1300
Cheque paid	1000
Fixed deposit interest credited	
Directly	250
standing order payments – telephone	100

Interest on fixed deposit and standing order payments are recorded in the books after receiving the bank statement there were no unrealized or unrepresented cheque as at 01/03/2022

39) What is the Adjusted balance of the cash Account of the business as at 31/03/2022

.....

40) a) Find out the balance of bank statement as at 31/03/2022

.....

b) List out the reasons with values that deviate the bank statement and Adjusted Bank Account as at 31/03/2022

.....

41) State four types of transactions or events relating to property, plant, and Equipment that would be recorded in the General journal of a business.

- 1)
- 2)
- 3)
- 4)

42) According to LKAS 07 indicate the following transaction under which Activities can be presented in the statement of cash flow of pranavan PLC.

Transactions	Activities
1) Deposit in fixed deposit	
2) Income tax paid	
3) dividend Received	
4) Issuing Right Shares	

43) Following Information disclosed by “Guru” PLC for the reporting period ended at 31/03/2022

Details	
Credit sales	1460,000
Debtors collection	5 days
Inventory turnover ratio	20 times
Gross profit ratios	25%

Assume there are 365 days in a year.

Find out

- 1) Average Inventory
- 2) Average Debtor

44) The cost data of a manufacturing company is given below.

Direct Material		Rs 20 per unit
Direct Wages		Rs 30 per unit
Variable overhead – Production		Rs 15 per unit
- Non production		Rs 10 per unit
Fixed overhead – production	Rs 80,000	
- Non production	Rs 40,000	

Calculate the following at a target production level of 5,000 units.

Find out

- 1) Total production overhead Rs
- 2) Total overhead Rs

45) Following information extracted from Savitha manufacturing firm related with material for the year ended at 31/03/2022.

Quarter year demand	8000 unit
Ordering cost per order	Rs 25
Holding cost per unit	Rs 10

Calculate the following.

- 1) Economic order quantity?
- 2) Number of orders per annum?

46) Company entered in a Lease agreement 01/04/2021 the cost of right to use the motor vehicle and Its useful life were estimated as Rs 5960,000 and 5 years respectively according to the lease agreement, lease period 5 years down payment Rs 2500,000 was paid 01/04/2021 .

First annual installment Rs 1250,000 was paid on 31/03/2022.

Lease interest for the years ending 31/03/2022 and 31/03/2023 are Rs 346,000 and 256,000 respectively Find out the following.

1) Obligations to make the lease payment as at 31/03/2022?

.....
.....

2) Right to use assets to be recorded in the financial position under Non-current assets as at 31/03/2022?

.....
.....

47) The following information relates to a product of a company.

Date	Description
01.10.2022	Inventory balance at Rs 5, 1000 units
05.10.2022	Purchase at Rs 6, 1500 units
12.10.2022	Purchase at Rs 8, 500 units
28.10.2022	Sold at Rs 55, 2000 units

Compute the following under each of the pricing method given below.

Pricing method	Cost of goods sold for month of October 2022 (Rs)	Closing Inventory as at 31/10/2022 (Rs)
1) First in first out (FIFO) method		
2) Weighted average method		

48) The following balances were available in Hashini PLC as at 01/04/2021.

Rs "000"

Stated ordinary share capital (100,000 shares) 2000

Retained earnings 600

on 30/06/2021, The company capitalized Rs 400,000 of retained earnings at a consideration of Rs 20 per share on 30/10/2021, The company made a right issue of shares at the rate of 1 share for every 12 shares held on this date at a consideration of Rs 10 per share all rights have been subscribed by the existing shareholders.

The profit for the year ending at 31/03/2022 was Rs 250,000

State the following.

1) Increase in the each balance date to above share issues Rs

2) Equity as at 31/03/2022 Rs

49) The following are the budgeted revenue and cost data related to a single product by a Manu factoring company.

Sales 40,000 units

Selling price per unit Rs 20

Contribution sales ratio 40%

Fixed cost Rs 200,000

Calculate,

1) Breakeven point?

2) Profit at the budgeted sales units?

50) A manufacturing company is considering to purchase a new machine replacing the existing machine cost incurred to conduct the feasibility study in this respect was Rs 70,000 the following estimates have been prepared in relation to this purchase.

Cost of new machine	Rs 800,000
Sale proceeds from the old machine	Rs 200,000
Additional working capital	Rs 100,000
Payback period of the new investment	4 years
Use full life of new machine	5 years

Assume that net operating cash inflow is equal in each year calculate the following

- 1) Initial net cash outflow? Rs
- 2) Annual expected net operating cash inflow? Rs.....



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கணக்கீடு II
Accounting II

Three Hours

33

E

II

Gr -13 (2022)

Instructions:

- Answer *five* questions *including* question No.1 and 2.
- This paper carries *200* marks.
- Write the answer for each question in *fresh page*.
- Suitable *workings* should be attached.

01) Kenu PLC is engaged in a retail business. Its trial balance as at 31/03/2022 is given below

Description	Rs '000'	Rs '000'
Property, plant, and equipment carrying amount	47,000	
Purchases	41,000	
Trade Receivable	21,000	
Inventory as at 01/04/2021	9,500	
Cash and cash equivalents	5,200	
Administrative expenses	8,000	
Distribution cost	9,450	
Income tax paid	1,200	
Sales		85,000
Trade payable		11,000
Provision for warranty of 01/04/2021		550
Stated capital – ordinary share		30,000
Revaluation reserve on land at 01/04/2021		1,500
Retained earnings as at 01/04/2021		6,500
01/04/2021 Provision for income tax		300
Bank loan		10,000
Lease payment Account	2,500	
	144,850	144,850

The following adjustment are to be made in preparing the financial statements for the year ending 31/03/2022

- i) The Inventory consist of three categories and their cost and net realizable value (NRV) as at 31/03/2022 were as follows

Item	Cost Rs '000'	Net Rs '000'
Anchor	3,800	3,400
Biscuit	2,600	2,700
Rice	3,600	3,700
	10,000	9,800

ii) The telephone bill of Rs 200,000 of the company has been paid by a director from his personal bank account. This amount has been reimbursed by the company and accounted in the directors remuneration by a mistake

iii) The administrative expenses for the year considered of the following items

Item	Rs '000'
Staff salaries	2,250
Directors remuneration	1,500
Depreciation expense	3,400
Audit fee	250
Other administrative expenses	600
Total	8,000

iv) The company has entered into a contract with a customer on 01/03/2022 to sell goods and provide maintenance services during the first 3 month offer sales. Total consideration of the contract was Rs 1200,000 and of which Rs 1000,000 redates to the sale of goods and the balance for the provision of maintenance service. The company sold all goods agreed in the contract on 31/03/2022 and the total consideration of the contract was received in cash this total amount has been accounted in the sales

v) The following information relates to property, plant and equipment. (All figures are given in Rs 000)

Description	as at 01.04.2021	Purchase During the financial year	current year depreciation	Accumulate depreciation as at 31/03/2022	Carrying amount 31/03/2022
Land	21,000	-	-	-	21,000
Building	9,000	5,000	700	2,000	12,000
Furniture	8,000	4,000	1,200	3,000	9,000
Office Equipment	7,500	-	1,500	2,500	5,000
	45,500	9,000	3,400	7,500	47,000

The land of the business was revalued for the first time on 31/03/2018. The surplus resulted from this revaluation is represented by the land revaluation reserve. The land was revalued for the second time on 31/03/2022 for Rs 19000,000 however it is not yet accounted for.

The building and furniture have been purchased during the year on 01.07.2021, 1/10/2021 respectively, however the current year Depreciation has been calculated erroneously on the year-end of value of cost without considering the dates of purchase

Property, plant and equipment are depreciated. Annually on straight line method as follows

Building at 5%

Furniture at 10%

Office equipment at 20%

The motor vehicle are used in the distribution of goods and other assets are used for administrative activities

vi) Company sells product with a one year warranty period. The company has paid Rs 400,000 as warranty expense. During the current year for sales made in the previous year. This is included under distribution cost of the current year. The provision for warranty as at 31/03/2022 has been estimated as Rs 750,000

vii) The company entered into a lease agreement on 01/04/2021 and obtained the right of use of a motor vehicle for a period of 5 years the cost of right use assets and its useful life time were estimated as Rs

5000,000 and 05 years respectively. According to lease agreement Rs. 1500,000 was paid as down payment on 01/04/2021 and the first annual installment of Rs. 1000,000 was paid on 3/03/2022 the lease interest for the year ending 31/03/2022 and 31/03/2023 are Rs 500,000 and Rs 400,000 respectively. Only down payment and first installment paid by company have been recorded in the lease payment account no other entry has been made in this respect.

viii) Income tax paid includes Rs 400,000 paid for the previous year and payment for the first three quarters of the current year. The income tax liability for the last quarter of the current year was estimated as Rs 300,000 and it has to be adjusted in the financial statements.

Required,

The following financial statements (including note) of kenu PLC for publication as per LKAS – 01 (presentation of financial statements)

- Statement of profit / loss and other comprehensive income for the year ending 31/03/2022
- Statement of changes in equity for the year ending 31/03/2022
- Statement of financial position as at 31/03/2022

(Total Marks 40)

02) A) Mathu company engaged in manufacturing shoes has two production departments and a service department for maintenance activates. The budgeted information for the next year at the activity level of 5,000 units is as follows.

Description	Total	Production Department A	Production Department B	Maintenance Department
Indirect wages (Rs)	75,000	46,000	13,000	16,000
Depreciation of machinery (Rs)	30,000	20,000	10,000	-
Rent (Rs)	90,000	?	?	?
Security charge (Rs)	45,000	?	?	?
Electricity (Rs)	80,000	?	?	?
Machine hours	15,000	10,000	5,000	-
Labour hours	14,000	2,000	12,000	-
Floor area (sq.meters)	9,000	3,800	3,600	1,600
No. of security persons	15	7	7	1
Kilowatt hours	1,600	1,000	500	100

Additional information

- The total overhead cost of maintenance department are to be reapportioned between the production department A and B in the ratio of 5 : 3 respectively
- Production department A uses machine hours and production department B uses labour hours to absorb overheads.
- To produce a pair of shoes 5 hours and 3 hours are spent respectively in the production departments A and B
- Direct cost to produce a pair of shoes
 - Raw material Rs 30 per pair
 - Labour Rs 20 per pair
- Non – production overhead
 - Variable overhead cost Rs 25 per pair
 - Fixed overhead Rs 105,000

Required

- The overhead analysis sheet naming the bases of apportionments
- Overhead absorption rates for each production department
- Cost of production of a pair of shoe

d) Total cost at the activity level of 5000 units

(Marks 25)

B) The leading private school is considering to replace the network server with a modern technology. If they decide to acquire this new sever, the old server can be sold at its book value of Rs 300,000

The estimated cash inflows and outflows of the new Network server are as follows

Description	Rs '000'
Purchase price of the sever	1600
Transportation cost of the sever	360
Installation cost of the sever	120
Residual value of the server at the end of the use full life	80
Additional working capital requirement at the beginning of the project	300

Additional working Capital can be recovered in the last year of the project. The expected useful life of the new project is 5 years. If the new server is purchased the annual increase in the profit after tax of the company is estimated as Rs. 240,000

The required rate of return of this project is 10% and its discounting factors to the nearest two decimals are as follows.

Year	0	1	2	3	4	5
Discounting factor	1.0	0.91	0.83	0.75	0.68	0.62

Required

- Schedule of Cash inflows and cash outflows of the project for each year
- Net Present Value (NPV) of the project
- The recommendation as to the purchase of the new server based on NPV

(Marks 15) (Total marks 40)

03) Information extracted from **senthuran** traders for the month ended at 30/04/2022

Financial position as at 01/04/2022

Not current Assets		Rs '000'
Furniture cost	400,000	280
Motor vehicle cost	300,000	240
		520
Current Assets		
Stock		100
Trade receivable	80,000	
Allowance for expected loss on trade receivable	(8,000)	72
Bank		<u>108</u>
		<u>800</u>
Equity	370,000	
Net profit	140,000	510
Noncurrent liability		
Bank loan		200
Current liability		
Accrued electricity		8
Trade payable		82
		<u>800</u>

All cash transaction of the business are carried out through current account of bank. Following transactions were take pace during the month of April 2022

- i) A equipment was purchased on credit for Rs 240,000 this loan amount is payable for 05 years commencing from 01/04/2022
- ii) Resalable stock of Rs 120,000 was purchased and paid Rs 40,000 in cash, the balance amount is payable within a month.
- iii) Goods was sold for Rs 100,000 on cash. The cost of sales of Rs 60,000
- iv) Owners' son season ticket of Rs 10,000 was paid by business
- v) A cheque of Rs 35,000 was received from a debtor after allowing discount of Rs 5,000
- vi) The electricity bill payable as at 01/04/2022 was paid. Electricity bill of Rs 12,000 was received for the month of April 2022
- vii) Loan instalment of Rs 12,000 was paid for bank loan this include of Rs 2,000 an interest.
- viii) Amount of Rs 2,000 should be written off as expected loss on trade receivable and maintained the allowance for expected loss on trade receivable at 10% on closing balance
- ix) Good purchased for Rs 60,000 on credit this amount is payable within 4 month
- x) Cash paid to trade creditors to settle the due Amount of Rs. 20,000 with Discount received at 10%

Additional information

1. Property, plant and equipment are depreciated at 12% on cost per annum

Required

2. Record the balances as at 01.04.2022 and show the impact of transactions (1) to (x) (with values) using the accounting equation. State (+) if the value increase or (-) if the value decrease in front of each value and use the following equation

	Assets				Liabilities			Equity
	PPE	Inventory	Trade receivable	Bank	Long term loans	Trade payable	Other payable	
opening balances transition								
(i)								
(ii)								
(iii)								

B) Income statement for the month ended at 30th April 2022

(Total marks 40)

04) A) Arivu commenced a trading business on 01/03/2022 by investing Rs 800,000 from his personal savings A summary of transaction carried out during the month of march 2022 is given below

a) Cash receipts and payments

	Rs '000'
Receipts	
Sales	2,000
Cash received from debtor	5,800
Rent Income	100
Payments	
Purchases	1,400
Cash paid to creditors	3,600
Expense	1,000
Drawings	50

b) With a cash discounts of Rs 400,000 was received from trade creditors and cash discounts of Rs 300,000 was allowed to trade debtors.

c) Totals of other prime entry books

Prime entry book	Rs '000'
Sales journal	10,500
Purchase journal	11,000
Sales return journal	400
Purchase return journal	300

d) Balances of debtors control account and creditors control Account didn't tally with totals of balances of respective subsidiary ledgers on 31/03/2022 The subsequent investigation revealed the following

1. The purchase of equipment of Rs 500,000 on credit has been recorded in the purchase journal
2. Balance of debtor Rs 150,000 was written off as expected loss on trade receivable has not been recorded in the debtor control account.
3. Total of purchase return day book of Rs 300,000 has been recorded in the creditors control account as Rs 400,000

Required

- I) Cash receipts journal and cash payment journal for the month of march 2022
- II) Journal entries to rectify the above errors (Narration is required)
- III) Debtors and creditors control accounts after rectifying errors.

(Marks 20)

B) A school is planning its annual student trip. The following information has been estimated for the trip by the accounting teacher of the school.

Fee charged per student	Rs 3,000
Hiring charge for the bus with a seating capacity of 50	Rs 60,000
Allowance for the driver and assistant per bus	Rs 4,000
Refreshment expenses per student	?
Number of students to meet the total cost of trip	80 students

Maximum number of students expected for the trip 100 students

The number of student travelling per bus is limited to its seating capacity

Required

1. Total fixed cost for the trip?
2. Contribution per student?
3. Refreshment expenses per student?
4. Margin of safety of trip in student and rupees?
5. Surplus of the trip, If the maximum number of students expected participate
6. The fee charged per student to cover total cost if only 64 participant students.

(Marks 20)

(Total marks 40)

05) (A) **Sana and shanthiya** are partners in a partnership and their agreement as follows

- Profit / loan sharing ratio is 2:1
- Partners is entitle to get annual salary of Rs 60,000 and 40,000 respectively.
- Interest on opening capital at 10%
- Loan given by partners is entitle at 8% per annum

Trial balance at 31/03/2022 as following

Details	Rs "000"	
	Debit	Credit
Partners' capital account at 01/04/2021 – sana		2,000
– Shanthiya		1,000
Current account at 01/04/2021 – sana		200
- shanthiya		150
Inventory	400	
Sales		3,000
Cost of sales	1,350	
Loan given by sana		300
Drawing – sana	15	
- Shanthiya	10	
Administrative expense	400	
Selling and Distribution expenses	250	
Cash brought by thusa		2,000
Finance and other expense	150	
Property plant, and equipment at caring value as at 31/03/2022	4,500	
Cash in bank	1,575	
	8,650	8,650

Additional Information:

- i) Interest on loan given by partner has not been paid and recorded.
- ii) Sana paid of Rs 30,000 out of his personal money to travel to Colombo for management seminar of partnership it has not been accounted for.
- iii) The partnership has paid of Rs 40,000 for the insurance premium of vehicles for the year ending 31/03/2022 and It is recorded in the administrative expenses of the business However, If was revealed later that this payment includes an insurance premium of Rs 10,000 paid for personal vehicle of shanthiya.
- iv) Thusa was admitted as a new partner on 31/03/2022, she brought of Rs 2000,000 on this date to the business as contribution to capital and good will. New profit and loss sharing ratio among **sana shantiya** and **thusa** was agreed as 2:2:1 respectively on this date, the good will of the business was estimated as Rs 900,000 and it should be create write off through capital account without open goodwill account.
- v) Goods withdrew by sana and shanthiya during the year were Rs 24,000 and 20,000 respectively these have not yet been accounted in the books.
- vi) Property plant and equipment are depreciated at 10% on net book value

Required:

- 1) Income statement of the partnership for the year ending at 31/03/2022 (including appropriations made to the partners)
- 2) Partners' capital account and current account of the partnership for the year ending 31/03/2022

(20 Marks)

- (B) The summarized statements of financial position of **Roni PLC** as at 31/03/2022 and 31/03/2021 are given below.

Description	(Rs. "000")	(Rs "000")
	31.03.2022	31.03.2021
Property plant and equipment at net book value	40,000	25,000
Inventory	12,000	9,500
Trade Receivable	9,000	11,000
Cash and cash equivalents	3,500	2,000
Total Assets	64,500	47,500

Stated capital – ordinary shares	30,000	20,000
Revaluation reserve	4,000	3,000
Retained earning	7,500	3,200
Lease creditors	15,700	17,800
Trade Payable	5,200	1,850
Provision for income tax	700	800
Bank overdraft	1,400	850
Total equity and liabilities	64,500	47,500

Additional information for the year ending 31/03/2022:

- During the year the company paid an interim dividend of Rs 900,000 and capitalized retained earnings of Rs 4000,000 further, the company issued 200,000 ordinary shares to the public and its entire consideration was received.
- Depreciation and income tax expense for the year were Rs 2,200,000 and Rs 800,000 respectively
- During the year, the company revalued its land for the first time at a surplus. There was no other revaluation during the year.
- The company disposed a motor vehicle at again of Rs 350,000 on 01/01/2022 this motor vehicle was purchased on 01/01/2020 for Rs 3500,000 and depreciated at 20% per annum on straight line method further a new vehicle was purchased in cash during the year.

Required:

Statement of cash flows of **Roni PLC** for the year ending 31/03/2022 as per LKAS 07 (statement of cash flows)

(20 Marks)

(Total marks 40)

- 06) A)** The following information relates to **UNIS PLC** for the year ended at 31/03/2022.

Description	(Rs. "000")
Sales	6,500
Profit for the period	1,500
Interest expense	400
Tax for the year	500

As at 31/03/2022

Total Assets:	(Rs. "000")
Property, plant and equipment	4,000
Inventory	300
Trade receivables	800
Cash	400
Total Liabilities	(Rs. "000")
Trade payables	500
Bank loan payable in the 3 years	2000

Additional information;

1. Trade receivable as at 31/03/2021 was Rs 500,000
2. All sales were made on credit basis.

Required:

For the year ending 31/03/2022:

- 1) Current ratio
- 2) Debtors turnover ratio (Based on average debtors)
- 3) Return on equity ratio
- 4) Interest cover ratio
- 5) Assets turnover ratio (Based on year and assets)

(15 Marks)

B) Ajan sports club maintains an indoor sports stadium and a cinema Theatre for the use of its members:

Detail	As at 31/03/2022 Rs "000"	As at 31/03/2021 Rs "000"
Building at carrying amount	2,000	2,400
Cinema theatre at carrying amount	4,500	5,000
Cinema theatre booking fee income received in advance	60	50
Subscription receivable	80	70
Fixed deposit	1,300	-
Cash	?	200

Following information relates to the year ending 31/03/2022:

All expenses given below were paid in cash.	Rs "000"
Annual manager's salary of theatre	250
Annual salaries of other staff	1,100
Other expenses	250

1. Theatre is also rented to outside organizations, the fees charged and the number of days rented during the current year are as follows.

Fee (Rs)	No of days rented to
Rs 50,000 per day	30
Rs 30,000 per half day	20

2. Subscription per month for a member is Rs 1,000 there were 100 members as at 01/04/2021 and 10 new members joined the club on the same day new members paid the full year's subscription. 15 founder members left the club on 30/09/2021 and they had settled all their dues on that date, the entire subscription in arrears as at 31/03/2021 was received during the current year.
3. The fixed deposit account was opened on 01/01/2022 for one year period at an interest rate of 10% per annum.
4. There were no acquisitions or disposals of property plant and equipment during the year.

Required:

- 1) Income and expenditure account for the year ending 31/03/2022?
- 2) Cash balance and accumulated fund account at 31/03/2022

(25 Marks)

(Total marks 40)

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