

13. There was Rs. 3000 at the petty cashier of Keshan's business as at 31/01/2019 and the main cashier has reimbursed Rs. 7000 on 1/2/2019 calculate the petty cash expense for the month of January and the petty cash float.

	Petty expent (Rs.)	Petty cash float (Rs.)	
1.	3000	3000	
2.	4000	5000	
3.	5500	5000	
4.	7000	7000	
5	7000	10000	(.....)

14. Following information relates to Kapila's business which was started on 1/1/2019

	(Rs.000)
As at 31.01.2019 The total of the amount column of cash receipt journal is	400
As at 31/1/2019 The total of the amount column of the cash payment journal	180
The transactions which have not been recorded in cash receipt and payment journals	
Standing order payment	40
Direct deposits	10
Unrealized chques as at 31.01.2019	30
unpresented cheques as at 31.01.2019	50

Calculate the adjusted cash account balance and the balance as per bank state ment as at 31/01/2019

	Balance as per adjusted cash A/C (Rs. 000)	Balance as per B.S (Rs. 000)	
1.	160	200	
2.	170	200	
3.	180	210	
4.	190	210	
5	200	220	(.....)

15. The balance as per bank statement of Viraj PLC as at 31/01/2019 was Rs. 40,000. But the balance of the cash control A/C as at same date was Rs. 60,000. Following were revealed later,

- Direct deposits by debtors of Rs. 18,000 and Bank charges for Rs. 5000 has not been recorded in the cash control A/C
 - The value of the unpresented cheques as at 31/01/2019 was Rs. 18,000.
- Calculate the value of unrealized cheques as at 31.01.2019.

1. Rs. 18,000	2. Rs. 40,000	3. Rs. 51,000	4. Rs. 61,000	5. Rs. 65,000	(.....)
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16. Which of the following error /errors can be revealed by a trial balance

- A - Paid electricity expense for Rs. 5000 has been recorded in the electricity expense account as Rs. 6000
- B - Received interest of Rs. 15000 has been debited to cash account and credited to interest expense account
- C - When extracting the balance of the creditors control account to the trial balance it has been overcasted.

1. A only	2. B only	3. A and B only	4. A and C only	5. All A,B and C	(.....)
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17. The narration for the following journal entry could be,
 Received discount A/C - Dr 3000
 Discount allowed A/C - Dr 3000
 Suspense A/C 6000
1. Rectifying the error of recording an allowed discount of Rs. 3000 to the received discount account
 2. Rectifying the error of debiting an allowed discount of Rs. 3000 to the received discount
 3. Rectifying the error of crediting a received discount of Rs. 3000 to discount allowed a/c
 4. Rectifying the error of missing an allowed discount of Rs. 3000
 5. Rectifying the error of not extracting the allowed and received discounts to the trial balance.(.....)
18. The trial balance of Harsha's business prepared as at 31/3/2018 did not agree. The profit has been calculated by not considering above difference. Followings were revealed later.
- Credit purchases of Rs. 120,000 has been credited only to creditors control A/C
 - A received discount of Rs. 20,000 has been debited to allowed discount account. This has been correctly recorded in the creditors control A/C
 - Over casting the opening stock of Rs. 10000 when extracting to the trail balance.
- The effect to the draft net profit by above errors is,
1. Overacarded by Rs. 40,000
 2. Overacarded by Rs. 50,000
 3. Overcasted by Rs. 70,000
 4. Undercasted by Rs. 80,000
 5. Undercasted by Rs.100,000 (.....)
19. The calculated net profit of Janaka's business for the year ending 31/3/2018 was Rs. 300,000 following errors were revealed after calculating net profit.
- Paid VAT of Rs,40,000 when purchasing goods has been debited to the purchase A/C business has registered for VAT
 - Goods drawings of Rs. 20,000 has been missed from the books.
 - Return outword of Rs. 5000 has been recorded as return inword.
 - Paid electricity expense of Rs. 21000, has been recorded in the electricity expense account as Rs. 12000
- The correct net profit for the year ending 31.03.2018 after rectifying above errors is,
1. Rs. 320,000
 2. Rs. 341,000
 3. Rs. 360,000
 4. Rs. 361,000
 5. Rs. 371,000 (.....)
20. The balance of the capital account of a sole proprietor has increased by Rs. 800,000 which of the following transactions could be help to above effect.
1. Earning a profit of Rs. 800,000
 2. Introducing new capital of Rs. 800,000 by the owner
 3. Investing a motor vehicle worth of Rs. 800,000 by the owner.
 4. Settling a creditor of Rs. 800,000 by owners personal money
 5. Settling owner's personal bank loan of Rs. 800,000 by the business (.....)
21. Rs. 8000 has been received for the written off impairment losses of Rs. 10000 in the previous year. The effect of above transaction is,
1. Increase assets by Rs. 8000 and decrease assets by 8000
 2. Increase assets by Rs. 8000 and increase equity by Rs. 8000
 3. Increase assets by Rs. 8000 and decrease equity by 8000
 4. Increase assets by Rs. 10000 and increases equity by 10000
 5. Decreases assets by Rs. 10000 and decrease equity by 10000 (.....)

22. Janith PLC hired a building on 1/1/2017 and paid Rs. 120,000 as the annual rent for the year ending 31/12/2017 on that date. The rent paid on 01/01/2018 for the year ending 31/12/2018 is Rs. 180,000. The accounting year is ended on 31/3. The rent should be recorded in the income statement for the year ending 31/3/2018 and the rent paid in advance as at that date is,

	Rent in the income statement (Rs.)	Pre-paid rent	
1.	120,000	135,000	
2.	120,000	180,000	
3.	135,000	45,000	
4.	135,000	135,000	
5	165,000	45,000	(.....)

23. Following information relevant for Imalka's business.

	As at 31/3/2018 (Rs.)	As at 1/4/2017 (Rs.)
Debtors	80,000	50,000
Stock	50,000	30,000

Cash received by the debtors during the period Rs. 320000 and gross profit ratio is 20% on sales. The value of the purchases should be taken to income statement is,

1. Rs. 250,000	2. Rs. 260,000	3. Rs. 271,000	
4. Rs. 300,000	5. Rs. 310,000		(.....)

24. Following information provided relevant for Panduka's business for the year ending 31/3/2018

	Rs.
Sales	500,000
Purchases	380,000
Return outward	10,000
Stock as at 1.4.2017	60,000
Stock as at 31.3.2018	70,000

A stock worth of Rs. 20,000 totally damaged due to a fire. Gross profit for the year ending 31.3.2018 is,

1. Rs. 100,000	2. Rs. 120,000	3. Rs. 140,000	
4. Rs. 150,000	5. Rs. 160,000		(.....)

25. Employers and employees contribution for EPF are 15% and 10% respectively. The contribution for ETF is 3% . The balance of the salary expense account for the year ending 31/3/2018 is Rs. 720,000 and the paid salary after deducting the contribution for EPF by the employee has been debited to salary expense account and credited to cash control A/C. EPF and ETF are calculated on gross salary. The total expense relevant for employees for the year ending 31/3/2018.

1. Rs. 720,000	2. Rs. 800,000	3. Rs. 920,000	
4. Rs. 944,000	5. Rs. 964,000		(.....)

• Use following information to answer Q. No. 26 and 27

(1) Salaries	Rs.
- Payable as at 31/3/2017	4000
- Payable as at 31/3/2018	24000
- paid in the year ending 31.3.2018	44,000

(2) Rent income

Received a rent income on 1/10/17 of Rs. 90000 for 9 month ending 30.06.2018

26. Salary expense and rent income should be recorded in the income statement for the year ending 31/3/2018

	Salary (Rs.)	Rent income (Rs)	
1.	24,000	30,000	
2.	28,000	30,000	
3.	44,000	60,000	
4.	64,000	60,000	
5	64,000	90,000	(.....)

27. The total liability should be recognized in the statement of financial position as at 31.03.2018 for salary

1. Rs. 24,000	2. Rs. 30,000	3. Rs. 54,000	
4. Rs. 60,000	5. Rs. 64,000		(.....)

28. Following information is provide about rates and tax

	Rs.
Accrued rates and tax as at 1.4.2017	65,000
payments within the period	
- Rates	150,000
- Tax	80,000
Payable tax as at 31.3.2018	20,000
Pre-paid rates as at 31.3.2018	10,000

The tax and rates expense should be recorded in the income statement is,

1. Rs. 175,000	2. Rs. 230,000	3. Rs. 185,000	
4. Rs. 155,000	5. Rs. 240,000		(.....)

29. Select the answer having only the current assets

1. Good will, stock, trade receivables, pre - payments
 2. Trade receivables, pre- payments, stock, cash
 3. Trade receivables, stock, patent, cash
 4. Investments, Good will, stock, cash
 5. Copyright, Trade receivables, cash, prepayment
- (.....)

30. Information of a business registered for VAT is given for you (for the year ending 31/3/18)

	(Rs. 000)
Sales (including VAT)	920
Purchases (Including VAT)	460
cost of the stock as at 1.4.2017	120
cost of the stock as at 31.3.2018	80
VAT percentage is 15%	

The gross profit for the year ending 31.3.2018 is ,

1. Rs. 360,000	2. Rs. 380,000	3. Rs. 400,000	
4. Rs. 420,000	5. Rs. 440,000		(.....)

- Write short answers for Q.No. 31-50 in the space given.

31. Indicate whether following statements relating to the financial accounting are **True** or **False**.
True/False

- A It provides information for external party
- B It base estimated information
- C It present information for an accounting period
- D Sri Lanka Accounting standards are not used

32. State whether the following tasks can be included under management accounting

Task

Yes/ No

- A Preparing general purpose final financial statements
- B Preparing overhead analysis sheets
- C Providing information of marginal costing
- D Analyzing profitability of a firm by using ratios

33. State the most suitable accounting concept for following

Situation

Concept

- A Categorizing liabilities as current and non – current in the statement of financial position
- B Recognizing payable expenses in the statement of financial position
- C Recording the most lowest value form the cost and net realizable value of the closing stock.
- D Considering the purchase a stapler machine as an expense in the income statement

34. State whether following statements are considered as the components of the general purpose final financial statements.

Yes / No

- A Statement of Financial position
- B Directors reports
- C Notes in the F.F.S.
- D Bank reconciliation statement

35. There was Rs. 4300 at the petty cashier of Asela PLC as at 28.02.2019. The totals of the analysis columns in the month of February 2019 of the petty cash payment journal are given below.

	Rs
Travelling expense	2000
Stationery	1500
Refreshment expenses	800
Postage	1400

The value of the petty cash float was decided to increase to Rs. 15,000 from 1.3.2019. Calculate followings.

- (1) Total petty expenses in the month of February -
- (2) The amount should be reimbursed as at 1.3.2019 -

36. Complete following sentences with suitable words. (matching concept, income statement, statement of financial position, profit or loss)

1. is prepared to calculate the financial performances of a specific accounting period.
2. The statement represent the assets, Liabilities and equity of a firm as at specific date is called as
3. Relevant expenses are adjusted with the earned income to calculate profit or loss for a time period is done as per
4. The major objective of an income statement to calculate for a specific time period.

37. Indicate whether the following statements are True or False in appropriate column with a "✓" or "✗"

- 1 The relationship of assets with the ownership of that assets is shown by an accounting equation (.....)
- 2 When calculating profit or loss by net asset method. Opening net assets should be deducted form closing net assets and drawings and additional capital should be deducted. (.....)
- 3 Money measurement concept says that the only resources can be measured by monetry value should be recorded. (.....)
- 4 It is better to consider all business as one when accounting when there are several business for one owner. (.....)

38. There are two types of errors when occure recording transactions. Those two types are,

1.
2.

39. Write two circumstances that an accounting policy can be changed.

1.
2.

40 State whether following item is an expenses of not.

Expense / not an expense

- A Return inward
- B Gross salary
- C Purchases
- D Paid amount when purchasing a building

41 Categorize following accounts as assets Liabilities, income equity or an expense.

Categorization

- A Return inward A/C
- B Return outward A/C
- C Accrual electricity A/C
- D Drawing A/C

42. Record the prime entry book use to record following transactions.

Transaction / Event

Prime entry book

- A Goods drawing by the owner
- B Dishonoring a change received by a debtor after depositing
- C Purchasing PPE on cash
- D Returning some goods to supplier purchased on credit

43. The cheque for Rs. 6500 issued to settle office rent for the month of January has been dishonored due to an error when writing. Another cheques for Rs. 13000 was issued in the February to settle the rent for January and February.

Write the journal entries relevant to dishonoring the cheques and issuing a new cheque including values.

- (1) Dishonouring cheque-
-
- (2) Issuing the new cheque-
-

44 Write the concept used in the given places in the income statements

Amila Business (A)
Income statement for the year ending 31.3.2018 (B)
(Rs. 000) (C)

Sales		12000
Cost of Sales		(5000)
Gross profit		7000
Other income		1000
		8000
Other expenses	800	
Finance expenses	12000	
Other expenses	200	
finance expenses	300	(2500) (D)
Net profit		55000

Accounting concept

- (A) - (B)
- (C) (D)

45. The net assets decreased within the year of 2018 by Rs. 200,000. Rs. 100,000 was invested as additional capital and owner has withdrew Rs. 250,000.

Calculate the profit or loss for the year of 2018

.....

46. Name the accounting environmental factor effect to following situations.

Situation	Environmental Factor
A- Inflation accounting
B- Rules in the companies act
C- Computerized accounting
D- Changing the analyzing technical methods.

47. State 04 situations that accounting errors can be occurred

1.
2.
3.
5.

48. Write 04 types of transactions record in the general journal
1.
 2.
 3.
 4.
49. Write two items which are not adjusted in cash control account when the balance as per bank statement is not agree with the balance as per cash control A/C
1.
 2.
50. Pathum's business was started on 1/4/2017 business sells goods with a 25% profit margin on cost. Sales for the year ending 31.3.2018 was Rs. 800,000 cost of the stock as at 31.3.2018 was Rs. 40,000
Calculate Followings
- (1) Gross profit for the year -
 - (2) Purchases within the year -

* * *

Followings should be adjusted before preparing final financial statements for the year ending 31.03.2018.

1. cost of the closing stock as at 31.03.2018 is 300000 and the net realizable value is 270000
2. Monthly insurance instalment is Rs. 3000 and Rs. 6000 has been paid for electricity expense for next months.
3. Rs. 5000 should be written off as impairment losses on trade receivables and Rs. 12000 should be adjusted for the provision for important losses on trade receivables.
4. The contribution for EPF by the employee is 10% and by the employer is 15%. The contribution for ETF is 3% EPF and ETF is adjusted on gross salary and there was on any entry has been recorded other than accounting the employer's contribution for EPF
5. PPE should be depreciated 10% annually excluding land
6. There was on any entry has been recorded for the goods worth of Rs. 25000 taken by the owner for his personal usage.
7. All the purchases and sales have been given including VAT

Required

- 1). Income statement for the year ending 31.03.2018
- 2). Statement of financial position as at 31.03.2018 (20 marks)

02. Extractions of the transactions to the accounting equation in the month of January 2019 of Parakum company Ltd have been given for you.

Transaction	Non current assets	Stock	Trade receivables	Cash	Equity		Trade payables	Other payables
					Capital	Retained profit		
01/01 Balance	500	80	60	360	725	-	155	120
01		+200		-110			+90	
02				-36		+4	-40	
03		-100	+150			+50		
04					+30	-30		
05		+20	-30			-10		

Following transactions have been occurred

06. Owner has used a stock Rs. 10,000 and cash Rs. 3000 for his personnel usage.
07. Investment income received is Rs. 12000
08. PPE should be depreciated 12% per annum
09. Paid bank loan installment is Rs. 25000 and included interest for above is Rs. 5000
10. Received Rs 27000 from debtors under a discount of 10%
11. Set off a debtor worth of Rs. 53000 with a creditor of Rs.50,000

Required

01. Write the transaction could be occurred from the 01-05
02. Show the impact of transactions 6 -11 with in the accounting equation and state whether each value increase (+) decrease (-) and in front of the value. (use following format.)

Transaction	Non current assets	Stock	Trade receivables	Cash	Equity		Trade Payables	Other Payables
					Capital	Retained Earnings		
1.								
2.								
.....								

03. Prepare the income statement for the year ending 31.01.2019

04. Prepare the statement of Financial position as at 31.01.2019

(20 marks)

03. a) The balance of the cash control account prepared as at 31.01.2019 of Parami business was not tallied with the credit balance of Rs. 269,000 of the bank statement received.

Following were extracted from the books of the business

01	Cash receipt (Rs.)	
	Sales	650,000
	Receipt from debtors	350,000
	Income	80,000
	Bank loan	100,000
02	Cash payments	
	Purchases	250,000
	Payment for creditors	150,000
	Expenses	90,000
03	Information of the bank statements (Rs.)	
	Paid cheques	400,000
	Bank charges	30,000
	Direct deposits from debtors	72,000
	Standing order payments	10,000
	Cheques realized	1,000,000

All the receipts and payments have made by cheques

Required

01. Cash receipt and payment journals.

02. Cash balance as at 01.01.2019

03. Adjusted cash account

04. Bank reconciliation statement

(10 marks)

b) i) Following transactions could be seen in Sandaresa enterprises

1. Received Rs. 60000 from a debtor undergoing a discount of 10%
2. Credit sales (including 15% VAT) is Rs. 690 000
3. Received cheque for Rs. 85000 for rent income has dishonored
4. The cheque for Rs. 162000 received form a debtor under going a discount of 10% has been dishonored
5. Reimbursed the petty cash float 18000
6. Returning the stock sold for Rs. 34500 on credit basis

Write the Journal entries for above transactions.

ii) Following balances could be seen in Siyarata enterprises as at 01.01.2019

	Rs.
Land and Building	250,000
Motor vehicle	100,000
Debtors	50,000
Creditors	50,000
Stock	150,000
Cash	120,000
Bank loan	200,000
Investment	100,000

Write the opening entries for above

(10 marks)

(Total marks 20)

04. a) The net profit of Palitha company PLC for the year ending 31.03.2018 as per draft financial statement was Rs. 804,000. Following errors were revealed by the investigation done by later.
1. The total of the purchase journal has been under valued by Rs. 2000.
 2. A machinery purchase for Rs. 500,000 done on 01.04.2017 has been recorded as machinery repair. Machineries are depreciated 10% on straight line method .
 3. Return inward for Rs. 5000 has been debited to sales account.
 4. The balance of the investment account of Rs. 200,000 has not been extracted to trail balance.
 5. A received discount of Rs. 15000 has been recorded as allowed discount account.
 6. A debit note of Rs. 8000 has been missed from the books.
 7. A sales invoice of Rs. 60000 has been debited to both account.

Required

- 1) Write the journal entries to rectify above errors (including narration)
- 2) Suspense account
- 3) A statement to rectify the profit

(15 marks)

- b) Following information relevant for Saranga business for the year ending 31.03.2018.

	Rs.
Sales - Credit	400,000
- Cash	200,000
Purchases and expenses	150,000
Drawings	10,000
Invested additional capital	60,000
Investment Income	100,000
Total assets as at 01.04.2017	650,000
Total liabilities 1/4/17	250,000

- There was no any stock as at 31.03.2018 -Calculate the total equity as at 31.03.2018 (5 marks)

(Total marks 20)

05. Following adjustments should be done in Priyalal's business for the year ending. 31.03.2018

1. It was estimated that a stock which the cost was Rs. 60000 could be sold for Rs. 65000 by spending Rs. 10000.
2. The balance of the electricity expense A/C as at 31.03.2018 was 42000 and the electricity expense for the month of March for Rs. 8000 has not been settled yet.
3. There was no any entry for the good given to Priyalal's friend's wedding worth of Rs . 8000
4. There was no any entry for a puncture purchased for Rs. 150
5. Monthly rent income is Rs. 5000 and the balance of the received rent income account as at 31.03.2018 is Rs. 70000
6. Received money on 01.03.2018 for written off bad debts on 31.01.2017 of Rs. 25000 as impairment losses on trade receivables.
7. Trade and receivable as at 31.03.2018 is 510000 and provision impairment losses should be adjustment as 51000.
8. The motor vehicle purchased on 01.10.2017 for Rs. 300,000 should be depreciated 10% on straight line method.
9. Contribution for EPF Rs. 20,000 has not been paid yet.
10. A stock which the cost was Rs. 15000 has destroyed by fire.

Required

- 1) Journal entries to above adjustment (including cash but narration are not required)
- 2) The relevant account concept for above adjustment using below format.

Trans	Journal entry	Concept
1)
-

(20 marks)

06. Following information relevant for Piumal Public Ltd. Although the total of the ledger account balances of the sub ledger as at 01.01.2019 was tallied with the balance of the control account the balances as at 31.01.2019 was not agree. Followings were revealed later.

- Information of Credit sales

Debtor	Balance as at 01.01.2019 (Rs.)	Credit Sales (Rs.)	Cash receipts	Return inward	Discount allowed
Devinda	100,000	92,000	130,000	11,500	13,000
Govinda	160,000	138,000	200,000	-	20,000
Malinda	99,000	115,000	95,000	9,200	-
Salinda	41,000	690,000	36,000	-	-

- Information of Credit purchase

Creditor	Balance as at 01.01.2019 (Rs.)	Credit Purchases (Rs.)	Cash Payment	Return out word	Discount received
Nishani	84,000	230,000	150,000	-	15,000
Ishani	48,000	92,000	88,000	23,000	-
Hashani	69,000	138,000	90,000	115,000	9,000

Above sales, purchase, return inward and return outwards have been given including VAT. VAT percentage is 15%

- .Following errors were revealed later.

1. Cash receipt from debtors have been recorded in the Debtors control account lesser than Rs. 30,000
2. Allowed discount to Govinda has not been recorded his personal account.
3. Return in word and relevant VAT has been debited to debtors control account.
4. Credit purchases have been recorded in the control account excluding VAT amount and there was no any entry for VAT.
5. Discount received from Nishani has been credited to her account.

Required

- 1) Sales and purchase journal
- 2) Debtors control account before rectifying errors.
- 3) Creditors control account after rectifying errors (adjusted control A/C)
- 4) VAT account
- 5) Reconciliation statement to reconcile the balance of the debtors control account with the total of the sales ledger.
- 6) Debtor's balance and the creditors balance should be shown in the statement of financial position prepared as at 31.01.2019

(20 marks)
