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Provincial Department of Education - NWP

33 E I

First Term Test - Grade 12 - 2019

Index No : **Accounting I** **Two Hours**

Important

- ◆ Select the correct answers for questions no. 01 - 30 and write its number on the dotted line given.
- ◆ Write short answers for questions No. 31 - 50 on the dotted line given.
- ◆ Each question carries 02 marks
- ◆ Write your index number in the space provided above.

Question No.	Marks
01 - 30	
31 - 50	
Total	

01. The basic objective of accounting is,
1. Communicating of economic information about the entity that will enable interested stakeholders to make decisions.
 2. Communicating economic information about the entity for the internal stakeholders.
 3. Analyzing the information presented by the final financial statements for the internal stakeholders.
 4. Recording all the transactions and events of an entity in accounting books.
 5. Presenting final financial statements of an entity for the managers. (.....)

02. The major environmental factors that will effect to accounting process are given in Column X and some variables of those accounting environment are given in column Y.

Column X	Column Y
1. Economic and political environment.	A -Infrastructure development policies.
2. Social and cultural environment.	B - Companies act no: 07 of 2007
3. Legal environment.	C - Computer technology.
4. Technical and professional environment.	D - immigration and migration.
5. Technological environment.	E - Accounting policies. (.....)

The correct answer when adjusting variables in Y column with environmental factors in X column.

- | | | |
|----------------------|---------------------|---------------------|
| 1. A, B, C, D and E. | 2. A, E, B, C and D | 3. A, D, B, E and C |
| 4. D, A, E, B and C | 5. B, A, E, D and C | |

03. The correct sequence of accounting process is,
- | | |
|---------------------------------|---|
| A - Occurring the transaction. | B - Recording in the prime entry books. |
| C - Preparing trial balance. | D - Posting to the ledger. |
| E - Preparing source documents. | |
- | | | |
|--------------|--------------|--------------|
| 1. A,B,E,D,C | 2. A,E,B,D,C | 3. A,E,D,B,C |
| 4. A,D,C,E,B | 5. A,B,C,D,E | (.....) |

04. The bank over draft of a business has been settled by the owners personnel money. The effect of this transaction to accounting equation is,
1. Increasing both assets and equity.
 2. Decreasing both assets and equity.
 3. Increasing Liabilities and decreasing equity.
 4. Decreasing Liabilities and increasing equity.
 5. Decreasing both assets and Liabilities. (.....)

05. Following information relates to Hirusha's business.

	as at 31/3/2019	as at 1/4/2018
	(Rs)	(Rs)
Total assets	750,000	500,000
Total Liabilities	350,000	200,000

Drawings within the period is Rs. 40000. Goods costing Rs. 50000 which was sold but not transferred have been included in the assets as at 31/3/2019.

Calculate the profit or loss for the year ending 31/3/2019 of Hirusha's business.

1. Rs. 50, 000 2. Rs. 60,000 3. Rs. 90,000 4. Rs. 100,000 5. Rs. 140, 000 (.....)
06. By accounting accrued interest for a loan obtained by a business is,
1. Decreasing equity and increasing assets.
 2. Increasing both assets and equity.
 3. Increasing both equity and liabilities.
 4. Increasing equity and decreasing liabilities.
 5. Decreasing equity and increasing liabilities. (.....)
07. Which of following accounting concept is based when recognizing equity in equation.
1. Entity 2. Money Measurement 3. Matching 4. Accrual 5. Periodic (.....)
08. Which of the following statement best describes an asset.
1. Economic resource owes to the business which having future economic benefits.
 2. Economic resources which have future economic benefits and control by the entity.
 3. Economic resources which having an ability of gaining cash in the future.
 4. A fixed deposit deposited in the bank for 3 year time.
 5. A resource having a physical existence as a result of a past transaction. (.....)
09. Which of the following accounting equations are correct.
- A - Net assets = Equity
- B - Assets + Income = Equity + Liabilities + Expense
- C - Assets + expenses = Equity + Liabilities + Income
- D - Net assets = Total assets - Non current liabilities.- Current liabilities.
1. A,B and C only.
 2. B,C and D only.
 3. B and C only.
 4. A,C and D only.
 5. All A,B,C and D. (.....)

10. Nimesh's Business settled a bank loan of Rs. 50000. Included interest is Rs. 5 000. The effect of above transactions to following elements is,

	Liabilities	Equity	
1	Decrease by Rs. 5000	Decrease by Rs. 5000	
2	Decrease by Rs. 5000	Increase by Rs. 50000	
3	Decrease by Rs. 45000	Decrease by Rs. 5000	
4	Decrease by Rs. 45000	Increase by Rs. 5000	
5	Decrease by Rs. 55000	Decrease by Rs. 55000	(.....)

11. There was a credit balance of Rs. 20000 in the cash control account of Bindu's business as at 31/10/2019. This credit balance to the Bindu's business is,

1. Asset 2. Equity 3. Liability 4. Income 5. Expense (.....)

12. Due to setting the rent of the owners home of Rs. 10 000 by the business.

1. Assets decrease by Rs. 10,000 and liabilities decrease by Rs. 10, 000.
2. Equity increase by Rs. 10,000 and liabilities decrease by Rs. 10, 000.
3. Assets increase by Rs. 10,000 and Equity increase by Rs. 10, 000.
4. Assets decrease by Rs. 10,000 and liabilities increase by Rs. 10, 000.
5. Assets decrease by Rs. 10,000 and Equity decrease by Rs. 10, 000. (.....)

13. Which of the following statement is **incorrect** relevant to double entry system.

1. Double entry system provides the basis to accounting equation.
2. It is the system use to post the transactions to the ledger.
3. The basic rule of double entry system is having a credit entry to a debit entry.
4. It ensures that all the transactions are recorded in the ledger.
5. Total assets should be equal to the total liabilities and equity due to double entry system. (.....)

14. The value of the total credit purchases is Rs. 115,000 including 15% VAT. The correct double entry of above transaction of a VAT registered company is,

	Purchas A/C (RS.)	VAT A/C (RS.)	Creditors Control A/C (RS.)	
1	85,000 (Dr)	15,000 (Dr)	100,000 (Cr)	
2	97,750 (Dr)	17,250 (Dr)	115,000 (Cr)	
3	100,000 (Dr)	15,000 (Dr)	115,000 (Cr)	
4	115,000 (Dr)	15,000 (Cr)	100,000 (Cr)	
5	115,000 (Dr)	17,250 (Dr)	132,250 (Cr)	(.....)

- **Use following information to answer question No 15 and 16.**

A business sold some goods worth of Rs. 50000 on credit basis. Received Rs. 45000 from customers and remaining couldn't be recovered.

15. The Source documents relevant to above transactions is,

1. invoice, Receipt, debit Note
2. invoice, Receipt and credit Note
3. invoice, Journal Voucher and debit Note
4. invoice, Receipt and Journal Voucher.
5. Journal voucher, Receipt and credit Note. (.....)

16. The Prime entry books use to record above transactions.
1. Sales Journal, Cash receipt journal and General Journal
 2. Sales Journal, Cash receipt journal and Return Inward Journal.
 3. Sales Journal, Cash payment journal and General Journal
 4. Sales Journal, Cash receipt Journal and return outward journal
 5. General Journal, Cash receipt Journal and return inward Journal (.....)
17. Which of the following recorded in purchase journal.
1. Both credit purchases and credit purchase of non – current assets.
 2. Only cash purchases.
 3. Both cash and credit purchases.
 4. Credit purchases of trade goods.
 5. Only credit purchase of non – current assets. (.....)
18. Monthly petty cash impress of a business is Rs. 6000. The petty expenses occurred in the month of October 2019 are given below.
- | | (Rs.) |
|---------------------|-------|
| Stationery expense | 240 |
| Travelling expense | 480 |
| Refreshment expense | 600 |
| Postage expense | 900 |
| Sundry expense | 1800 |
- The brought forward balance of the petty cash account as at 31/10/2019 is,
1. Rs. 1980 2. Rs. 4020 3. Rs. 6000 4. Rs. 7980 5. Rs. 10020 (.....)
19. The balance of the cash account was not agree with the balance of the bank statement as at 31/10/2019 due to following reasons.
- A - Unrealized cheques B - Unpresented cheques C - Dishonored cheques
- Which of the following item /itiems is / are recorded in the bank reconciliation statement.
1. A only
 2. A and B only
 3. A and C only
 4. B and C only
 5. All A,B and C (.....)
20. A dishonored cheque that was received from a debtor and deposited is recorded in the,
1. Sales journal and cash receipts journal
 2. Cash receipt journal
 3. Cash Payment journal
 4. Sales journal.
 5. General journal (.....)
21. The debtors control account in the leldger and the discount received account is,
1. Asset and Equity
 2. Liability and Income
 3. Asset and Income
 4. Liability and Equity
 5. Asset and Expense (.....)

22. Following information relates to chamodi's business.

	(Rs.)
Credit sales	390,000
Discount allowed to debtors	32,500
Written off bad debts	10,000
Return inward	17,500
Under casting the debtors balance within the period	40,000

The amount received from debtors for the year ending 31/3/19.

- Rs. 290,000
 - Rs. 330,000
 - Rs. 347,500
 - Rs. 357,500
 - Rs. 370,000
- (.....)

23. Savindu's business received Rs. 81 000 from a debtor under going a discount of 10% The discount allowed to the debtor is,

- Rs. 810
 - Rs. 4050
 - Rs. 4500
 - Rs. 8100
 - Rs. 9000
- (.....)

24. Which of following balance couldn't be seen in an account.

- Having a credit balance in the creditor's control A/C.
 - Having a debit balance in the debtor's control A/C.
 - Having a credit balance in the cash control A/C.
 - Having a credit balance in the employees wages A/C.
 - Having a debit balance in the return inward A/C.
- (.....)

25. Which of the following accounts are closed and brought forward respectively at the end of a period.

	Closed	Brought forward
1	Assets	Liabilities
2	Expense	Assets
3	Income	Expense
4	Liabilities	Equity
5	Equity	Income

(.....)

26. Column "X" shows some accounts and Column "Y" shows some items.

	Column X	Column Y
1	Asset account	A Discount allowed
2	Liability account	B Sales
3	Equity	C Capital
4	Income	D Income received in advance
5	Expesne	E Trade receivables

When matching accounts in X Column with the items in Y Column respectively is,

- B,C,D,A,E
 - B,D,C,A,E
 - D,E,C,B,A
 - E,D,C,B,A
 - E,C,D,B,A
- (.....)

27. The debit balance in the bank statement of Sangeeth's business as at 31/10/2019. is Rs. 10 000. But the balance of the cash account as at same date was Rs. 5000. Followings were revealed later.

- Direct deposits from a debtor of Rs. 15000 and bank charges of Rs. 5000 has not been recorded in the cash control account.
- The Value of the unrealized cheques as at 31/10/2019 is Rs. 50 000.

The Value of the unpresented cheques as at 31/10/2019 is.

- | | | | |
|---------------|---------------|---------------|---------|
| 1. Rs. 25.000 | 2. Rs. 45.000 | 3. Rs. 50 000 | |
| 4. Rs. 55.000 | 5. Rs. 60.000 | | (.....) |

28. Which of the following are components of final financial statements.

- | | |
|--------------------------------------|------------------------------------|
| A - Profit and loss statement. | B - Bank reconciliation statement. |
| C - Statement of financial position. | D - Statement of affair. |
| E - Cash flow Statement. | |

- | | | |
|----------------------|-------------------|-------------------|
| 1. All A,B,C,D and E | 2. A,B and C only | 3. A,C and E only |
| 4. A and C only | 5. C,D and E only | (.....) |

29. Balances of some ledger accounts of Sanira's business as at 1/10/2019 are given below.

	(Rs.)		(Rs.)
Building	200,000	Trade receivables	10,000
Motor vehicle	100,000	Cash	8,000
Trade payables	15,000	Bank loan	55,000
Office equipment's	50,000	Pre - paid insurance	5000
Accrued electricity	3000		

The value of the capital account as at 1/10/2019 is,

- | | | |
|----------------|----------------|----------------|
| 1. Rs. 295 000 | 2. Rs. 300 000 | 3. Rs. 306 000 |
| 4. Rs. 310 000 | 5. Rs. 365000 | (.....) |

30. Following balance were there of Chamudi's business as at 31/10/2019.

	(₹.)
Trade payables	35,000
Bank over draft	20,000
Bank loan	40,000
Accrued interest for loan	5000
Payable electricity charges	12,000
Receivable rent	7000

The value of the current liabilities as at 31/10/2019 is,

- | | | |
|---------------|----------------|---------------|
| 1. Rs. 52 000 | 2. Rs. 59 000 | 3. Rs. 72 000 |
| 4. Rs. 79 000 | 5. Rs. 112 000 | (.....) |

- Write short answers from question No 31 - 50 on dotted lines.

31. State two differences between the financial accounting and management accounting.

Financial Accounting

Management Accounting

- | | | |
|----|-------|-------|
| 1. | ..... | ..... |
| | | |
| 2. | ..... | ..... |
| | | |

32. Write two major tasks of management accounting process.

-
-

33. Write the accounting concept which guides to record the transactions and events of a business independently from other parties.

.....

34. Write two characteristics of a liability.

-
-

35. Some information of Thinura's business for the year of 2018/2019 is given below.

	(Rs.)
Capital as at 1/4/2018	450,000
Total income of the year	250,000
Total expense of the year	130,000
Invested cash within the period	50,000
Drawings within the year	20,000

The equity of the owner as at 31/3/2019 is,

.....

36. Categorize following items in to given categories of Kumari's business which is a textile shop.

	Items	Assets		Liabilities	
		Current Assets	Non-Current Assets	Current liabilities	Non-Current liabilities
A	Inventory				
B	Computer used by the manager				
C	Payable amount for the purchased inventory on credit.				
D	Obtained loan to expand the business.				

37. State followings should be debit or credit when increasing and decreasing.

	Name of the account	Increasing	Decreasing
A	Bank loan	.....	.....
B	Debtors control account	.....	.....
C	Interest for loan	.....	.....
D	Sales	.....	.....

38. Write the double entry of following transactions.

	Transactions	Double entry
A	Receiving a cheque from a debtor.	..... .....
B	Good drawings of the owner.	..... .....

39. Write a similarity and a dissimilarity between the equity and a liability.

- (a) Similarity
.....
- (b) Dissimilarity
.....

40. Write the source documents use to record following transactions.

	Transaction	Source Document
A	Cash sales	.....
B	Paid insurance charges	.....
C	Purchased stock from Amal for the purpose of resale.	.....
D	Returned a stock to Amal due to change the pattern.	.....

41. Write two advantages of source documents.

- 1.
- 2.

42. Write 04 facts that include in a source documents.

- 1.
- 2.
- 3.
- 4.

43. Write the prime entry books use to record following transactions.

Transaction / Event	Prime entry book.
A Investing additional capital.
B Dishonoring an issued cheque to a creditor.
C Returning sold goods on credit to a customer
D Purchasing PPE on credit.

44. Write four types of transactions which are recorded in the general journal.

1.
2.
3.
4.

45. Write two items which are not adjusted in the cash account when the balance of the cash account is not agree with the balance of the bank statement.

1.
2.

46. There was Rs. 1000 at the petty cashier of the business as at reimbursed date. The total of the petty expenses within the period is Rs. 6000 including salary advance of Rs. 800 given to the owner.

- a). Calculate the petty cash float.
.....
- b). Calculate the amount should be reimbursed as at dat date.
.....

47. Categorize following accounts as an income, expense, asset, Liability or equity.

Name of the account	Categorization
A Purchases
B Cash
C Drawings
D Return inward

48. Fill the blanks using following words.
 (Matching Concept, Income statement, Statement of financial position, Net asset, profit or loss)
- A- is prepared to calculate financial performance for a specific time period.
 - B- Relevant expense match with the relevant income when calculate profit or loss for a specific time period is done as per
 - C- The schedule which is prepared to show the balance of assets, Liabilities and equity as at specific date is called as
 - D- The major purpose of an income statement is to calculate the for a specific time period.

49. Put " ✓ " mark if following statements are correct and put " ✗ " mart if it is incorrect.

- A Equity of the business is increased due to an income.
- B The equity is not changed due to an additional capital.
- C Only the equity is increased due to obtaining a bank loan.
- D Expenses of the business is increased due to drawings.

50. Followings are related to a business.

	₹.
Balance of the debtors control account as at 1/4/18	150,000
Cash received from debtors	700,000
Credit sales	650,000
Provision for doubtful debts (Provision for impairment loss on trade receivable)	50,000

Calculate the balance of the trade receivable (debtors control A/C) as at 31/3/2019.

.....



First Term Test - Grade 12 - 2019

Accounting II

Three Hours

Important

- ◆ Answer five questions only. Including question No. 01 and 02.
- ◆ Begin each answer on a fresh sheet of paper.
- ◆ Relevant workings should be attached to the answer script.

01 Some transactions occurred in the month of January of Pradeep's business which was commenced on 1/1/2019 are given below.

- | | | |
|------|----|---|
| Janu | 01 | Invested Rs. 200 000 as initial capital. |
| | 02 | Cash purchase Rs. 30,000 |
| | 03 | Cash Sales Rs. 60,000 |
| | 04 | Paid electricity expenses Rs. 15,000 |
| | 05 | Credit sales Rs. 80,000 |
| | 06 | Obtained a bank loan of Rs. 100,000 |
| | 07 | Received investment income Rs. 30,000 |
| | 08 | Cash sales Rs. 50,000 |
| | 09 | Credit purchases Rs. 120,000 |
| | 10 | Received from debtors Rs. 25,000 |
| | 11 | Paid to creditors Rs. 30, 000 |
| | 12 | Cash sales Rs. 90 000 |
| | 13 | Owner withdrew 10000 for his personal usage. |
| | 14 | Received Rs. 36000 from debtors discount allowed is 10% |
| | 15 | Settled bank loan instalement Rs. 30000 |
| | 16 | Paid creditors Rs. 80 000. Discount received is 10% |
| | 17 | Cash purchases Rs. 20 000 |
| | 18 | Paid rent Rs. 25 000 |
| | 19 | interest received Rs. 20 000 |

Required

- 1) Cash receipt journal
- 2). Cash payment journal
- 3). post the transactions that recorded in the cash receipt and payment journals to ledger account.

(40 marks)

02. Following balances could be seen in Parakum business as at 1/4/2018. (This company has registered for VAT) applicable VAT is 15%.

Trade receivables (debtors)	(debtors)
Sagara	122
Nalaka	86
Palitha	22
Trade payables (Creditors)	(රු. 000)
Anil	66
Nimal	56
Ranil	63

- All the amounts are shown excluding VAT.

1) Transactions relevant to trade receivables (Rs. 000)

Debtor	Sales	Return inward	Cash received	Discount allowed
Sagara	80	20	100	8
Nalaka	90	10	50	5
Palitha	60	30	60	6

2) Transactions relevant to trade payables (Rs. 000)

Creditors	Purchases	Return outward	Cash paid	Discount received
Anil	86	8	56	4
Nimal	92	6	62	3
Ranil	70	10	49	2

Required

- 1) Sales Journal
 - 2) Purchase Journal
 - 3) Return inward Journal
 - 4) Return outward Journal
 - 5) Debtors Control Account
 - 5) Creditors Control Account
 - 6) Accounts in debtors subledger.
- (40 marks)**

03. Following transactions that occurred in the month of January relevant to parami's business which was commenced on 1/1/2019.

1. Invested Rs. 200 000 by cash and furniture worth of Rs. 500 000 as initial capital.
2. Cash purchases 50 000
3. Obtained a bank loan Rs. 100 000
4. Sold some goods for Rs. 35 000 which was purchased for Rs. 20 000
5. Paid Salaries Rs. 10 000
6. Credit purchases Rs. 60 000
7. Received interest income Rs. 20 000
8. Paid Parami's daughter's tuition class fees Rs. 5 000.
9. Credit Sales Rs. 45 000 which the cost was Rs. 30 000.
10. Parami invested Rs. 50 000 as additional capital.
11. Settled bank loan instalement Rs. 28 000. included interest is Rs. 3 000.

Required

- 1) Using the accounting equation show the impact of above transaction No : 01 to 11 (with values) and state wheter each value increases (+) or decreases (-) infront of the value. (use the following format)

Assets				Liabilities		Equity	
Furniture	Debtors	Stock	Cash	Creditors	Bank loan	Capital	Retained earning

- 2) Prepare the income statement for the year ending 31/01/2019.

- 3) Prepare the statement of financial position as at 31/01/2019.

(40 marks)

04. (a) Sinha business commenced on 01/01/2019. The cash receipt journal and cash payment journal prepared as at 31/01/2019 and the bank statement as at same date are given below.

Cash receipt journal (Rs. 000)						
Description	Cheque No.	Amount	Analys Coloumns			
			Sales	Debtors	Income	Other
Capital		100				100
Sales	365	30	30			
Debtors	420	50		50		
Investment income	302	10			10	
Debtors	429	60		60		
Sales	560	40	40			
		290	70	110	10	100

Cash Payment journal (Rs. 000)						
Description	Cheque No.	Amount	Analys Coloumns			
			Purchases	Creditors	Expenses	Other
Purchases	121	80	80			
Creditors	122	20		20		
Electricity expense	123	15			15	
Creditors	124	30		30		
		145	80	50	15	-

Bank Statement (Rs. 000)				
Description	Cheque No.	Debit	Credit	Balance
Cash			100	100
Cheque	365		30	130
Cheque	420		50	180
Cheque	121	80		100
Standing order (insurance)	-	12		88
Cheque	302		10	98
Cheque	122	20		78
Bank Charges		5		73
Direct deposits from debtors			13	86

Required

- 1) Present the reasons which help to differ the balance as per cash account as at 31/1/2019 with the balance of the bank statement.
- 2) Adjusted cash account as at 31/1/2019.
- 3) Bank reconciliation statement as at 31/1/2019. **(20 marks)**

(b) Following balances could be seen in Siyarata business as at 31/3/2019.

	(Rs. 000)
Furniture	500
Trade recivables	100
Trade Payables	150
inventory	90
Bank loan	300
MV	200
Cash	150
Machineries	160

Write the opening entries as at 1/4/2019. by using general journal. **(10 marks)**

(C) Following blances could be seen in Syril's business as at 31/3/2019.

	(Rs. 000)		(Rs. 000)
Electricity expense	30	Trade receivalbe	96
Land and Building	160	Investment income	42
Trade payables	100	Distribution expense	25
Inventory	80	Payable expense	15
Recivable income	10	Discount received	11
Discount allowed	18	Purchases	60
Return inward	12	Return outward	16
Sales	130	Rent	40
Cash	180	Petty Cash	55
Salaries	70	Transpotation expense	20
Capital	542		

Prepare the trial balances as at 31/3/2019 by using above balance. **(10 marks)**

(Total 40 marks)

05. (a) Some petty cash payments of Parami's business for the month of January 2019 are given below.

	(Rs.)
01.01 Petty Cash balances as at 1/1	140
01.01 Reimbursed the impresst	1860
01.06 Refreshment expenses (V. No : 01)	120
01.10 Stationery expense (V. No : 02)	160
01.12 Postage fee (V. No : 03)	90
01.18 Paid to Perera (V. No : 04)	200
01.20 Cleaning expenses (V. No : 05)	150
01.25 Purhcsed buscuits (V. No : 06)	80
01.28 Purhcsed halvesheets (V. No : 07)	120
01.30 Purhcsed stamps (V. No : 08)	90

Required

- 1). Petty Cash payment journal.
- 2). Petty Cash account and other ledger account.

(20 marks)

b) Following have been given some transactions occurred in Mihiri's business.

- i) Credit sales (including 15% VAT) Rs. 690 000.
- ii) Invested a MV worth of Rs. 500 000 as the additional capital.
- iii) Recived cash from a debtor worth of Rs. 200 000 undergoing a 10% discount.
- iv) Credit purchases Rs. 345 000 (including 15% VAT)
- v) Paid Rs. 240 000 to a creditor undergoing a discount of 20%.
- vi) Dishonoured the issued cheque to electrical expense for Rs. 25 000.
- vii) Sett off a creditor of Rs. 60 000 with a debtor of Rs. 60 000.
- viii) Purchased furnitures worth of Rs. 150 000 from curve company Ltd on credit basis.

Required

Write the double entry to record above transactions (including values)

(20 marks)**(Total 40 marks)**

06. Following have been given effects of Some transactions to accounting equation of Lakmini's business which is a vehicle service centre.

	Assets				Liabilities		Equity	
	Machinery	Debtors	Stationery	Cash	Creditors	Bank loan	Capital	Equity
1.				+500			+500	
2.			+10		+10			
3.				+200		+200		
4.	+150			-150				
5.				+200				+200
6.				-55		-50		-5
7.		+160						+160
8.			-80					-80
9.				-48	-50			+2
10.				-10				-10
11.		-80		+75				-5
12.	-10							-10
13.				-15				-15
14.	+100						+100	
15.		+50		+40				+90

- **Additional information**

Transaction No : 10 will not effect to profit.

Required

- 1) Describe the transactions occurred (including values) from transaction No : 01 - 15.
- 2) Calculate the profit or loss from net assets.

(Total 20 marks)

First Term Test - Grade 12 - 2019
Accounting

Part I - Answers

1	-	1	11	-	3	21	-	3
2	-	3	12	-	5	22	-	3
3	-	2	13	-	4	23	-	5
4	-	4	14	-	3	24	-	4
5	-	3	15	-	4	25	-	2
6	-	5	16	-	1	26	-	4
7	-	1	17	-	4	27	-	1
8	-	2	18	-	1	28	-	3
9	-	4	19	-	2	29	-	2
10	-	3	20	-	5	30	-	3

31)

Financial Accounting Management Accounting

- | | |
|---|---|
| <p>i) Use only historical information.</p> <p>ii) presents information to internal and external party</p> <p>iii) prepares</p> <p>4) Uses accounting concepts, rules, regulations and standards</p> | <p>use historical and budgeted information.</p> <p>presents information to only to internal party.</p> <p>not relevant.</p> |
|---|---|

(Two marks for two correct items)

32)

- 1) Planning
- 2) Budgeting
- 3) controlling

(2 marks for one item)
(maximum 04)

33) Entity concept (04)

- (34) * As a result of a past transaction
 * Future economic benefits will outflow from the business when settling
 * Having a future obligation.

(02 marks for one correct item.)

(35) Rs 600000

- (36) A Current Assets (01)
 B Non current assets (01)
 C Current liabilities (01)
 D Non-current liabilities (01)

- (37)
- | | Increasing | Decreasing |
|---|------------|------------|
| A | Credit | Debit |
| B | - Debit | Credit |
| C | - Debit | Credit |
| D | - Credit | Debit |

One mark for two correct items

- (38) A Cash A/c - Dr
 Debtors control A/c Cr (02)

- B Drawings A/c - Dr
 cost of sales / stock / purchase Cr (02)

(39) Similarities

- 1) It is an element of the balance sheet.
- 2) It is a source of finance.
- 3) Having a credit balance.

Dissimilarities

- 1) Liabilities are categorized as current and non-current but equity is not.
- 2) Expense relevant to equity is dividend and expense relevant for Liability is the interest.

(02 marks for one item)

- (40) A Receipt (01) B. cash payment voucher (01)
 C. purchase invoice (01) D. Debit note (01)

(41) * using the original document as the basis on which the accounting entry is made

* The ability to obtain all relevant information about the transaction

* It can be used as documentary proof that the transaction took place

* The officer who has certified the original document can be held responsible for it.

(42) Name and address of the business
Serial no.

Date of the transaction

Other related parties

Other details of the transaction.

Value of the transaction.

(43) A cash receipt journal (01)

B - General Journal (01)

C - Return inward Journal (01)

D - General Journal (01)

(44) * Opening entries

* Entries to rectify errors

* Credit sales and purchases of PPE.

* Closing entries

* ~~Adjustment~~ Adjustment.

(45) * Unrealized cheques

* Unpresented cheques

* Errors made by the bank.

(46) 1) Rs 7000 (02)

2) Rs 6000 (02)

(47) A - Expenses (01)

B - Assets (01)

C - Equity (01)

D - Income (01)

- 48) A - Income Statement (0)
 B - Matching concept (0)
 C - Statement of financial position (0)
 D - Profit or loss (0)

- 49) A - ✓ (0)
 B - ✗ (0)
 C - ✗ (0)
 D - ✗ (0)

50) Rs 100 000 (04)

Part II

① Cash receipt journal

Description	Discount	Amount	Analysis			
			sales	debtors	Income	other
Capital		200				200
Sales		60	60			
Bank loan		100				100
invest. in sales		30			30	
Receipt. deb sales		50	50			
Debtors	4	36		36		
received int		20			20	
Posted	A	611	200	61	50	300

Cash payment journal

Description	Discount	Amount	Analysis			
			Purchases	creditors	expenses	other
electricity		15			15	
Purchases		30	30			
creditors		30		30		
Drawings		10				10
Bank loan		30				30
creditors	4	76		76		
Purchases		20	20			
Rent		25			25	
	4	236	50	106	40	40

01 mark for one transaction 17 mark.
 1/2 for correct totals 01 mark

Cash A/c			
sales	200	Purchases	50
Deb. co.	61	cred:	106
income	50	exper:	40
capital	200	Drawings	10
Bank loan	100	Bank l/c	30
		B/c l/d	375
	<u>611</u>		<u>611</u>

Sales	
cash	200

Debtors c/c	
cash	61

received in	
cash	20

investment in ca	
cash	30

capital	
cash	200

Bank loan	
cash	30
cash	100

Purchases	
cash	50

creditors control	
cash	106

electricity ex	
cash	15

Rent received	
cash	20

Drawings	
cash	10

(01 mark for 01 items) 22 marks!

	i	ii	iii	
01	9 1/2	8 1/2	22	40

②

Sales Journal

Customer	excl. VAT	VAT	including VAT
Bagara	80	12	92
Nalaka	90	13.5	103.5
Palitba	60	9	69
Posted to G.L.	230	34.5	264.5

Purchase Journal

Supplier	excluding VAT	VAT	including VAT
Anil	86	12.9	98.9
Nimal	92	13.8	105.8
Ranil	70	10.5	80.5
Posted to G.L.	248	37.2	285.2

Return inward Journal

Customer	ex. VAT	VAT	inc. VAT
Bagara	20	3	23
Nalaka	10	1.5	11.5
Palitba	30	4.5	34.5
Posted to G.L.	60	9	69

Return outward Journal

Supplier	ex. VAT	VAT	inc. VAT
Anil	8	1.2	9.2
Nimal	6	0.9	6.9
Ranil	10	1.5	11.5
Posted to G.L.	24	3.6	27.6

C04 marks for one Journal) maximum 16

Debtors control

Bl/Bf	230	R I	60
Sales	230	VAT	9
VAT	34.5	cash	210
		D.A	19
		Bl/c/d	196.5
	<u>494.5</u>		<u>494.5</u>

creditors control

Bl	24	Balan	185
VAT	3.6	Purchase	248
cash	167	VAT	37.2
D.R	9		
Bl/c/d	266.6		
	<u>470.2</u>		<u>470.2</u>

C01 mark for one item excluding balance) maximum 14

Sagara				Nalaka			
VIIA	122	R/I	20	balan	86	R/I	10
sales	80	VAT	3	sales	90	VAT	1.5
VAT	12	cash	100	VAT	13.5	cash	50
		D.A	8			D.A	5

Palitba			
Balace	22	R/I	30
sales	60	VAT	4.5
VAT	9	cash	60
		D.A	6.
	2		

C 01 mark for 02 items.)

02	I	II	III	IV	V V	VII	40
	04	04	04	04	14	10	

03

	Assets			Liabil L		Equity.		
	Furnit.	Debtor	inventory	cash	credito.	B.L	capital	Retained earn.
1)	+200			+500			+700	(3)
2)			+50	-50				(2)
3)				+100		+100		(2)
4)			-20	+35				+15 (3)
5)				-10				-10 (2)
6)			+60		+60			(2)
7)				+20				+20 (2)
(8)				-5				-5 (2)
9)		+45	-30					+15 (3)
10)				+50			+50	(2)
11)				-28		-25		-3 (3)

Income statement				Statement of financial position			
Income				N.C.A			
sales			80 ①	Furniture			200 ①
Expenses				CA			
cost of sales	50 ①			inventory	60 ①		
salaries	10 ①			Debtors	45 ①		
interest	3 ①		(63)	cash	592 ①		697
Net profit	①		<u>17</u>				<u>897</u>
				capital	750 ①		
				+ N.P	① 17		
				- Drawings	767		
					(5)		762
				N.C.L.			
				B.L			750 ①
				C.L			
				creditors			600
							<u>897</u>

03	I	II	III	
	26	05	09	40

- ④
- 1) Deposited but not realized cheques Rs 100000
 - 2) Issued but not presented cheques Rs 45000
 - 3) Standing order payments Rs 12000
 - 4) Bank charges Rs 5000
 - 5) Direct deposits from debtors Rs 13000
- (~~2~~ marks for two items) maximum 10

ii

Adjusted cash A/c.	
b/b/b	145 ①
D.D	13 ①
	<u>158</u>
standing order	12 ①
Bank charges	5 ①
b/c/b	141
	<u>158</u>

(iii.) Bank Reconciliation Statement

Balance as per adjusted cash c/a	① 141
+ Unpresented cheque	45 ①
	186
- Unpresented cheque	(100) ①
Balance as per B.S	86

iv) General Journal

Furniture	500		
Trade receivables	100		
inventory	90		
MV	200		
cash	150		
Machinery	160		
		150	
Trade payable		300	
Bank loan			
capital		550 ②	
	1200	1200	

(01 mark for two)

v) Trial Balance.

Electricity expense	30		distribution ex	25	
Land	160		Payable expense		15
Trade payables		100	discount receiv		11
inventory	80		Purchases	60	
receivable income	10		Return outward		16
Discount allowed	18		Rent	40	
Return inward	12		petty cash	55	
Sales		130	Transportat. e.	20	
cash	180		capital		542
salaries	70		(01 mark for 2 items)		
Trade payables	96			856	856
investment income		42			

(5)

Petty cash payment Journal

Date	Description	v. n.	Amount	Analysis				
				Refresh	stationery	postage	sundr	othr.
6	Refreshme.	01	120	120 ①				
10	stationery	02	160		160 ①			
12	Postage	03	90			90 ①		
18	Perera	04	200					200 ①
20	cleaning	05	150				150 ①	
25	Buiswite	06	80	80 ①				
28	halfsheet	07	120		120 ①			
30	stamps	08	90			90 ①		
			①1010	200	280	180	150	200

②

Petty cash				Refreshme.	
Balan	140 ①	expen	1010 ①	P. c.	200 ①
cash	1360 ①	blcd	490 ①		
	<u>1500</u>		<u>1500</u>		
stationery				Postage	
P. c.	280 ①			P. c.	180 ①
Sundry				Perera	
P. c.	150 ①			P. c.	200 ①