

Department of Examinations - Sri Lanka

G.C.E. (A/L) Examination - 2018

# 33 - Accounting

Marking Scheme



This document has been prepared for the use of Marking Examiners. Some changes would be made according to the views presented at the Chief Examiners' meeting.



# G.C.E. (A/L) Examination - August 2018

33 - Accounting

Part I

Question No.	Answer
1	3
2	3
3	4
4	2
5	2
6	2
7	5
8	5
9	2
10	4
11	3
12	4
13	4
14	4
15	3 2
16	2
17	3
18	3
19	4
20	1
21	3
22	3
23	5
24	3
25	3 2 2
26	2
27	1
28	5
29	5
30	5

(4 marks for each correct answer for questions 1-30, Total marks 120)

# ව්ෂුකගත රචනා හා රචනා උත්තරපතු :

- අපදුම්කරුවන් විසින් උත්තරපතුයේ හිස්ව තබා ඇති පිටු හරහා රේඛාවක් ඇඳ කපා හරින්න. වැරදි හෝ නුසුදුසු පිළිතුරු යටින් ඉරි අදින්න. ලකුණු දිය හැකි ස්ථානවල තරි ලකුණු යෙදීමෙන් එය පෙන්වන්න.
- ලකුණු සටහන් කිරීමේදී ඕවර්ලන්ඩ් කඩදාසියේ දකුණු පස කීරය යොදා ගත යුතු වේ.
- 3. සෑම ප්‍රශ්‍යකටම දෙන මුළු ලකුණු උත්තරපත්‍රයේ මුල් පිටුවේ ඇති අදාළ කොටුව තුළ ප්‍රශ්‍ය අංකය ඉදිරියෙන් අංක දෙකකින් ලියා දක්වන්න. ප්‍රශ්‍ය පත්‍රයේ දී ඇති උපදෙස් අනුව ප්‍රශ්න තෝරා ගැනීම කළ යුතුවේ. සියලු ම උත්තර ලකුණු කර ලකුණු මුල් පිටුවේ සටහන් කරන්න. ප්‍රශ්න පත්‍රයේ දී ඇති උපදෙස්වලට පටහැනිව වැඩි ප්‍රශ්න ගණනකට පිළිතුරු ලියා ඇත්නම් අඩු ලකුණු සහිත පිළිතුරු කපා ඉවත් කරන්න.
- 4. පරිකෘතාවීව මුළු ලකුණු ගණන එකතු තොට මුල් පිටුවේ නියමින ස්ථානයේ ලියන්න. උන්තරපත්‍රයේ සැම උන්තරයකටම දී ඇති ලකුණු ගණන උන්තරපත්‍රයේ පිටු පෙරළමින් නැවත එකතු කරන්න. එම ලකුණ ඔබ විසින් මුල් පිටුවේ එකතුව ලෙස සටහන් කර ඇති මුළු ලකුණට සමාන දුයි නැවත පරිකෘං කර බලන්න.

#### ලකුණු ලැයිස්තු සකස් කිරීම :

මේවර සියලු ම වියෙන්හි අවසාහ ලකුණු ඇගයිම මණ්ඩලය තුළදී ගණනය කරනු නොලැබේ. එබැවින් එක් එක් පතුයට අදාළ අවසාන ලකුණු වෙන වෙනම ලකුණු ලැයිස්තුවලට ඇතුළත් කළ යුතු ය. I පතුයට අදාළ ලකුණු ලකුණු ලැයිස්තුවේ "I වන පතුය" තීරුවේ ඇතුළත් කර අතුරෙන් ද ලියන්න. අදාළ විස්තර ලකුණු ඇතුළත් කර "II වන පතුය" තීරුවේ II පතුයේ අවසාන ලකුණු ඇතුළත් කරන්න. 51 විතු වියෙයේ I, II භා III පතුවලට අදාළ ලකුණු වෙන වෙනම ලකුණු ලැයිස්තුවල ඇතුළත් කර අකුරෙන් ද ලිවිය යුතු වේ.

- 31. A 3 (1) B - 2 (1) C - 4 (1)
- 32. A 3 ⑤ B - 4 ⑥ C - 1 ⑥
- 33. Transaction Price enter book
  1 Cash Receipt Journal (i)
  2 Purchase Journal (ii)
  3 General Journal (ii)
  4 General Journal (ii)

# 34. Transaction Type of accounts

	Asset	Liability	Equity	Income	Exper	nses
(1)	· Sai	- 1	1		- 1077	0
(2)		<	10000	1000	/	0
(3)		10000	eme		1	00
(4)	3(0)	Y	*****	2000	1	(1)

- 35. (a) Rs.1 100 000 @
  - (b.) Rs. 990 000 @
- 36. (a) Bad debts account 200

  Trade receivables control account 200 ©
  - (b) Doubtful debts / Profit or loss 20
    Allowance for doutful debts / Provision for doutful debts 20
- 37. (a) 28.01.2018 ① (b) Rs. 350 000 ②
  - (c) Revenue recognition concept/ Realization concept (a)
- 38. A D @ B I @ D NC @ D NC @ D
- 39. (a) Rs. 240 000 @ (b) Rs. 264 000 @

Cr.

Dr.

40.		ent acco urrent ac	ET/A/25/4/2141 101		Dr.	8000 Cr:		8000		•	
41.	(a)		óz. 16	00 000	<b>©</b>		(a)	Ót. 750	000	(P)	
									Willian.		
42.	A	7.7	F	0							
	В	No.	T	(1)	USINS						
	C		T	9999							
	D	100	F	@							
43.	A		Staten	nent of	Profit o	r Loss a	nd Oth	er Compre	hensi	ve Income	<b>©</b>
	В									ncial Position	9888
	C			nent of							(1)
	D		Staten	nent of	Financia	al Positi	on				(1)
44.	(a)	1.	Purcha	ise of p	roperty	plant a	nd ear	ulpment		<b>®</b>	
Silisa	200.0	2.		se of st	man from the last of the last section			Many emission		<u> </u>	
		3.						l deposits		11,211	
	(b)	1.	Deben	ture rec	demotic	on		<b>(13)</b>			
	1007			n divide				<u>(01)</u>			
		2.		st paym	G 2 MOSC 100 11			0			
		4.	THE RESERVE OF THE RE	PORCE, TO WORK DID IN THE	Marie Control of the	alment	s / Ban	k loan insta	llmer	nts	
45.			Invent	ory turr	over	Curre	nt				
Wellsto			Rati	DAYOSOUDE DA		Ratio					
	(a)		1	00		1	@				
	(b)		D	0		D	@				
728	6.74	40.00									
46.	(a) (b)	40 % 12 %		8							
47.	(a)	Rs. 1		000							
	(b)	Rs. 4		(6)							
	(c)	Rs. 2	700	0)							
48,	(a)	200 u	THE PARTY	00							
	(b)	50 tin	nes	0							
49.	(a)	Rs. 48	30 000	@							
West	(b)	Rs. 20	)	(B)							
	(c)	24 00	0 units	0							
50.	(a)	Rs. 36	30 000	@							
	(b)		000	@							
	1966	4.325316	20000	0							

#### 33 - Accounting - Part II

#### Question 01

(1)

#### Hiruka PLC

Statement of Profit or Loss and other Comprehensive Income for the year ending 31.03.2018

	Note	Rs'000
Sales		83 000
Cost of sales		(41 100)
Gross profit	(0)	41 900
Other income	, –	3 250
Distribution cost		(9 680)
		(7.850)
Administrative expenses	/ TOTAL	(1,650)
Finance cost		
Profit before tax	2	25 970
Profit for the period		(1.050)
		24 920
Other comprehensive income		
Change in revaluation surplus		(5 000)
Total comprehensive income	(01)	19 920

Note 01:

Other income

Commission income

Rs 000

3.250

Note 02 : Profit before tax is computed after charging expenses including following

	Rs* 0000
Inventory written off	400
E P F Expenses	450
ETF Expenses	90
Depreciation (1200 + 3800 + 1000)	6 000
Loss on land revaluation	1 000
Loss on disposal of motor vehicle	250
Provision for warranty	530
3.0 (CO) 10 (CO) 3.0 (CO) 3.0 (CO) 4.0 (CO) 4	1 500
Directors' fees	610
Audit fees	

(01 mark for any two items, maximum 02 marks)

(19 marks)

Note 03 i

Income Tax
Provision for the current year
Over provision for last year

Rs. 000 4 150 (100)

Workings Rs' 000 Cost of sales		Distribution cost		
Inventory as at 01.04.2012 Purchases Inventory as at 31.03.2018	41 850	Distribution cost Loss on disposal of motor vehicle Provision for warranty expenses Warranty expenses	9 850 (250) <b>01</b> 530 }/80 (450) 9 680	
Administrative expenses Administrative expenses Salaries EPF Expenses	7 100 300 <b>01</b> 450 <b>01</b> 7 850	Other expenses Inventory written off Loss on land revaluation Loss on disposal of a motor vehicle	400 01 1 000 01 250 01	

(2)

Hiruka Plc

# Statement of Changes in Equity for the year ending 31.03.2018

Description	Stated Capital - Ordinary shares	Revaluation Reserve	Retained Earnings	Total
Balance as at 01.04.2017 Total Comprehensive Income	35 000	5 000 (5 000)	6 880 01)24 920	46 860 19 920
Balance as at 31.03.2018	35 000	1.00	31.800	66 800

(02 marks)

(3)

# Hiruka Plc Statement of Financial Position as at 31.03.2018

	Nots	Rs' 000	Rs' 000
Non-Current assets	A	0	59 500
Property, plant and equipment			- 10-1
Current assets			_
Inventory		10 100	(01)
Trade receivables	100 100 100	22 600	00.000
Cash and cash equivalents		1 250	33 950
Total assets	- 10 H		93 450
Equity			
Stated capital			1000
Ordinary shares			35 000
Reserves			
Retained earnings		1100	31 800
Non current liabilities	7 7 7		
Bank loan			10 220
Current liabilities			
Trade payables		12 500	5
Bank loan		1 780	₽
Income tax payable	100	400	×
Other payables		1750	3)16 430
Total equity and liabilities			93 450
			100
		100	

(For other two items 01 mark - Maximum 02 marks)

# Note 04 Property, plant and equipment

(Rs' 000)

	Land	Buildings	Motor vehicles	Office equipment	Total
Cost  Balance as at 01,04,2017  Revaluation Additions Disposals	25 500 (6 000)(		19 000 19 000	D 10 000	8 500 (6 000) 4 000 (2 500)
Balance as at 31.03.2018	19 500	28 000	16 500	16 000	74 000
Accumulated depreciation			TO THE	III J. Bel	
Balance as at 01.04.2017		6 800	1 450	1 000	9 250
Depreciation for the period		J 200	3 800	1 000	6 000
Disposals			(750)0	0 (2)	(750)
Balance as at 31.03.2018	-	8 000	4 500	2 000	14 500
Carrying amount as at 31.03.2018	19 500	20 000	12 000	8 000	59 500

Note 05 -	Other payables	Rs' 000
NAMES NO.	Payable EPF	750 01
	Provision for warranty	750 01
	Accrued administrative expenses	250 01
		1 750

(19 Marks) (Total Marks 40)

Question No 1

1	2	3	Total
19	02	19	40

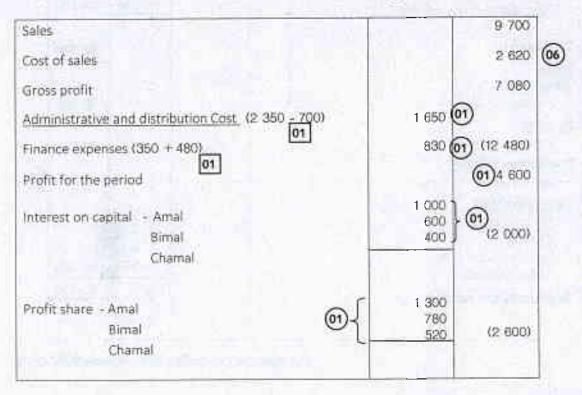
#### **Question No 02**

(a) (1)

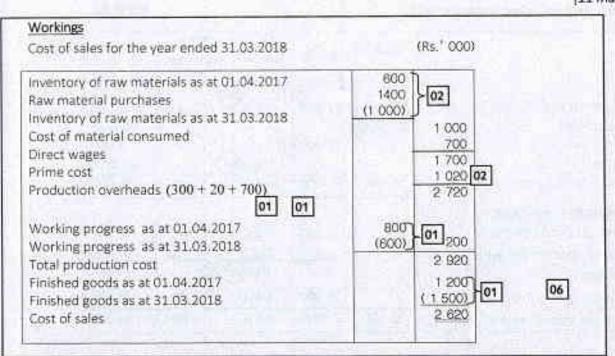
## Amal, Bimal and Chamal Partnership

ya [4] (4) (4) (4) (4)

Income Statement for the year ending 31.03.2018 (Rs. 000)



(11 marks)



## Question No.02

#### a (2)

# Capital Account

# (Rs' 000)

	Amal	Birmal	Chamal		Amal	Bimal	Chamal
Goodwill	5 000	e	3 000	Balance b/F	10 000	6 000	4 000
Cash		3 000	(01)	Current account - Bimal		2 380	
Loan account-Bimal		7 480	10000	Goodwill	3 500	2 100	1 400
Balance c/d	8 500		3 400	1470.2740 to 1470.00		(0)	
	13 500	10 480	5 400		13 500	10 480	5 400

## Current Account

#### (Rs' 000)

	Amal	Bimal	Chamal		Amal	Bimal	Chamal
Saleries paid			100	Balance b/f	1 200	1 000	600
Capital account-8imal		2 380		Interest on capital	(01)1 0000	600	400
Population and the second	->-	€		Profit share	(01)1 300	780	520
Balance c/d	3 980		1 540	Loan interest Manager's salary	480	Ð	120
	3,980	2 380	1 640		3 980	2 380	1 640

(07 marks)

(3) Loan account - Birnal

Balance c/d	7 480	Capital account (02) 7 480
	7.480	7 480

(02 marks)

#### (b) (1)

#### Overhead Analysis Sheet

(Rs' 000)

ldem	Bases of apportionment	Total	Production	Service division	
		THE STATE OF	Processing	<b>Battling</b>	Stores
Stores rent	Direct	50			50
Stores electricity	Direct	30	6 -		30
Insurance - Cooling machine	Direct	20	FILES.	1700	20
Stores rate	Direct	30			30
Cooling machine depreciation	Direct	20			20
Factory rent	Floor area (2:3)	180	72	108:	
Indirect wages	No.of indirect employees (2:3:3)	400	100	150	150
Factory electricity expenses	Killowot hours (3:2)	120	72	48	
Production machine insurance	Cost of production machinery (2:1)	90	60	30	
Factory rates	Floor area (2-3)	90	36	54	
Security service charges	No.of security personnel (1:1:4)	360	60	60	240
Production machine depreciation		60	40	20	
		1 450	440	470	540
Re- apportionment of service	Cost of machinery (2:1)		(01) 360	180	(540)
division overheads		1 450	800	850	
division overheads		1 450	-	71700000000	

(01 mark for each two direct allocations, maximum 02 marks)
(01 mark for each two allocation bases, maximum 03 marks)
(01 mark for each two distributions, maximum 03 marks)
(10 marks)

(2) Overhead absorption rates

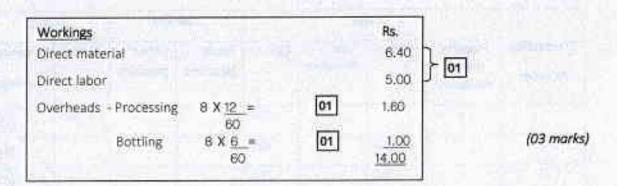
Processing Division, Rs.8 per machine hour Bottling Division, Rs.10 per machine hour



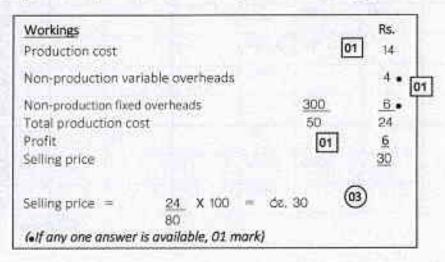
(04 marks)

Workings		
Processing Division	01 800 01 100	= Rs. 8
Bottling Division	01 <sub>650</sub>	= Rs. 10

(3) Cost of production per bottle of mango drink = Rs.14 (03)



(4) Budgeted selling price per bottle of mango drink = Rs. 30



(03 marks)

Question No.2

	1	2	3	4	Total
а	-11	07	02	3.72	20
b	10	04	03	03	20
		111111111111111111111111111111111111111			40

(1)

Rs. 000

	10.7	Asse	ets	ALEX.	Liability		Ec	quity
Transaction Number	Property, plant & equipment	Inventory	Trade receivables	Cash	Trade payables	Other payables	Capital	Retained
1	+ 180			+ 600			+ 780	@2
2		+ 300		- 300				(01)
3		- 100		+ 150	- to 6			+ 50 02
4		- 150	+ 200					+ 50 (02)
5		+ 400			+ 400			(01)
6		- 300	+ 280					- 20 (02)
7			- 200	+ 200		To le		(01)
В		- 150		+ 120	5			- 30 (02)
9				- 75			20-0	- 75. (02)
10				-30		+10		- 40 (02)
11			- 280	+270			-11	- 10 (02)
12			3	- 400	- 400		r V	(01)

(20 marks)

(2)

# Cash Receipts Journal

Rs. 000

	201				Ana	lysis col	umn
Date Cheque No.	Description	Discount Allowed	Amount	Cash sales	Receipt from defining	Other	
01/01	14	Capital introduced		600		THE R	600
07/01	4450	Cash sales		150	150 (	01)	(
15/01	6005	Cash receipts - Gamini		200		200	
18/01	2005	Cash sales		120	120 (	01)(01)	
29/01	3010	Cash receipts - Nimal	10(	99 270		270@	)
31/01			10	1 340	270	470	600

(06 marks)

(3)	Bank Reconciliation Statement for the month of January 2018	(Rs'000)
Balance a	is per bank statement	660 (9)
(+) Unrea	lized cheques	930
Annual I		
(-) Unpre	sented cheques	(400)(01)
Balance a	s per cash account	<b>(01)</b> 530

(04 marks)

Question No. 03

1	2	3	Total
20	06	04	30

#### Question 04

(1)

#### Payroll for the month of March 2018

Employee name	Deductions (Rs.) Gross		A. T. A.		Employer Contribution (Rs)		
	salary (Rs.)	EPF	EWF	Total Deductions (Rs)	Net salary (Rs.)	EPF	ETF
Jinadasa	70 000	5 600	1.400	7 000	63 000	B 400	2 100
Siripala	50 000	4.000	1 000	5 000	45 000	6.000	1 500
Sugath	30 000	2 400	600	3 000	27.000	3 600	900
Total (01)	150 000	12.000	3 000	15,000	135 000	18.000	4 500

(At least there should be 4 additions, based on students' computation )

#### (2) Employee related total expenses

Gross salary EPF Contribution ETF Contribution

#### (3) Purchase Journal for the month ended 31.03.2018

Date Invoice I		Supplier	(Rs.)
	15670	Nathan Publishers	550 000 (
	13209	Samanala Publishers	400 000
2018.03.31	Total		950 000

#### Cash Payment Journal for the month ended 31.03.2018

(Rs.)

Description	Discount	Amount	Cash purchase	Payment to creditors	Expenses	Other payment
Payment to Nathan Publishers	25 000	475 000		475 000		
Cash purchases	- A-111	100.000	100 000		-	
Payment to Samanala Publishers		300 000		300 000		
Cash purchases		150 000	150 000			
Salary payment		135 000		DOME 1	135 000	
Rent payment		72 000		IN STO	72 000	The section
EPF payment		30 000	15071			30 000
ETF payment		4 500				4 500
Payment to EWF		3 000			3 - 100	3 000
Total	25 000	1 269 500	250.000	775 000	207 000	37 500

(Except in the amount column, 01 mark for each two items, maximum 05 marks)

(07 marks)

# (4) (i) Inventory of books Rs. 260 000 (02)

Workings	Rs.
Inventory as at 01.03.2018	150 000
Purchases	1 200 000
Return outwards	(5 000)
Cost of sales 1 300 000 X 80	(1 040 000)
Inventory as at 31.03.2018	260 000

(For each two items 01 mark, maximum 02 marks)

## (ii) Trade receivables Rs. 260 000



	Trade	e receivables	- ( - ( ) -
Balance b/f Sales	180 000 500 000 <b>0</b> 1 680 000	Cash Balance c/d	420 000 <b>0</b> 260 000 680 000

(iii) Trade payables Rs 220 000



Workings		
	Trade payables	1
Return outwards Cash Discounts received	50 000 Balance b/f 775 000 purchases 25 000 pt 220 000	120 000 950 000 <b>C</b> 1
8alance b/f	1 070 000	1 070 000

(iv) Other payables Rs 37 500 (02)

Workings	
EPF (18 000 + 12 000)	30 000
ETF	4 500
Employee welfare fund	3 000
Contraction of the Contraction o	37 500

(For 3 correct items 02 marks) (For 2 correct items 01 mark)

(v) Prepaid expenses Rs. 60,000 (01)

Workings	DESCRIPTION OF THE PARTY OF THE
Rent paid	72 000
Rent for the month	01 (12 000)
Pre paid rent	60 000

(10 marks)

Question No. 04

1	2	3	4	Total
10	03	07	10	30

#### Question No. 05

(a) (1)

(Rs. '000)

Item			Year		
=0	0	1	2	3	4
1		+ 300	+ 300	+ 300	+ 300
2	+ 200 (01		8		
3.			(02)		+ 500
4	-1 200 (01	)	10.22		L COLOR
5		-200	-200	-200	-200

(07 marks)

(2) Revised Net Present Value (NPV) Rs. 257 000 02

Recommanadation :- It is appropriate to accept the project as the revised NPV is positive. (01)

## Workings

Year	0	1	2	3	4
Net cash flows	-1 000	+100	+100	+100	+ 600
Discount factor	1	0.91	0.83	0.75	0.68
Present value	-1 000	+91	+83	+75	+408

Present value of the Items that had not been considered = Rs. 343 000

(03 marks)

(b) Cash Account for the year ending 31 12 2017

Rs. '000

Balance b/f	20.	Electricity	120•
Entrance fees	50 @	Refreshments	170•
Subscriptions	1 280	Dstationery	200•
Fixed deposit		Maintenance	160•
Interest on fixed deposit	70 6	Building	1 000•
	11.91	Balance c/d	(1) 1 170
	2.820		2,820

(• 01 mark for each remaining two items, maximum 03 marks)
(08 marks)

(2)

#### Old Boys Association

Income Statement for the year ending 31.12,2017

(Rs. 000)

Income	
Entrance fee	50∙
Interest on fixed deposit	70.
Subscriptions	1 600 (1)
Expenses	
Electricity	170. 1 720
Refreshments	240 (01)
Stationery expenses	100
Maintenence expenses	550 🗐
Get tagether expenses	450 (61) 1670
Depreciation	
Surplus	(01) 50

(. For each of remaining two items 01 mark, maximum 02 marks)

(08 marks)

# (3) Equity as at 31.12.2017

	Equity Items (Rs. '000)		
Description	Accumulated Fund	Building Construction Fund	
Balance as at 01 01 2017	4 580	1 400	
Additions Surplus	<b>(9)</b> 50		
From Building fund	(01) 1 400	Windstein Windstein	
Deduction		(1 400)	
To Accumulated fund Balance as at 31.12.2017	(01) 6.030		

Question No. 05

	10	2	3	Total
a	07	03	(F)	10
b	08	08	04	20
	11-			30

(04 marks)

## Question No. - 06

(1)

# Bowatta PLC Statement of Cash Flows for the year ending 31.03.2018

(Rs. '000)

Cash flows from operating activities		
Profit before tax	6 000 (01)	
Depreciation	1 250 (01)	
Interest expenses	600 (01)	
	7 850	
Increase in inventories	(880) (01)	
Decrease in trade receivables	1 000 (01)	
Increase in trade payables	500@	
Cash generated from operating activities	8.470	
Interest paid	(200) (9)	
Income tax paid	(1 400)(02)	
Net cash flows generated from operating activities	(01	6 870
Cash flows from investing activities		
Purchase of motor vehicles	(8 250)(02)	
Net cash used in investing activities	(0)	(8 250)
Cash flows from from financing activities		
Issue of shares	4 800 (01)	
Dividend payments	(1 800)(01)	
Net cash generated from financing activities	01	3 000
Net increase in cash and cash equivalents	(O1)	1 620
Cash and cash equivalents as at 01.04.2017:		
Cash and cash equivalents	2 200	
Bank overdraft	(1 400)	BOO (01)
Cash and cash equivalents as at 31.03.2018:		
Cash and cash equivalents	5 020	
8ank overdraft	(2 600)	2.420 (01)

(20 marks)

Balance b/f Land revaluation	operty, plant and e 19 000 2 2 000 <b>01</b>	Depreciation	1 250 01
Cash	8 250 29 250	Balance c/d	28 000 29 250
	Income tax	account	
Cash Balance c/d	1 400 500	Balance b/f Balance c/d	400 <b>01</b>

(2) (i) Current ratio = 2:1

(02 marks)

(ii) Quick assets ratio = 1.2:1

(02 marks)

```
workings - (rs. 000)
Liquid assets = 14 520 01 = 1.2:1
Current liabilities: 12 100 01

(Liquid assets = 9 500 + 5 020 = 14 520)
```

(III) Return on equity ratio = 15%

(02 marks)

```
Workings - (Rs. 000)

Profit after tax × 100 = 4 500 01 × 100 = 15%

Total equity 30 000 01

( Total equity = 22 800 + 2 000 + 5 200 = 30 000 )
```

(iv) Debt equity ratio = 0.33

(02 marks)

(10 marks)

(v) Interest cover ratio = 11 times

Workings - (Rs. 000)

<u>Profit before tax + Interest</u> = 6 600 01 = 11

Interest 600 01

(02 marks)

(10 marks)

		1	2	3	4	5	Total
Question No.6	а	20	0 E	*	28		20
100	ь	02	02	02	02	02	10
					1		30

# Question No. 07

(a) (1) Variable cost per unit = Rs. 640 (02

Workings	(Rs.)
Direct material	160
Direct labour	180
Variable production overheads	100
Variable non- production overheads	200
Variable cost per unit	640
(01 mark for each two items)	

(02 marks)

(2) Production cost per unit = 8s, 550

Workings	(Rs.)
Direct material	160
Direct labour	180
Variable production overheads	100
Fixed non- production overheads	110 01
Production cost per unit	550

(02)

(02 marks)



Alternative 1	TW Jee	(Rs.)	
Selling price	01	1200	
Production cost		(550)	
Variable non -production overheads		(200)	01
Fixed non-production overheads		(150)	01
Profit		300	

	Alternative 2	(Rs. 000)
Sales		1440
Direct materia	I:	(192)
Direct labour		(216)
Variable produ	iction overheads	(120)
Variable non -	production overheads	(240)
Fixed producti	on overheads	(132)
Fixed non -pro	duction overheads	(180)
Total profit		360
Profit per unit	360 000 = 300 1 200	

(03 marks)

(4) Total cost at the activity level of 1500 units = Rs. 1.272 000

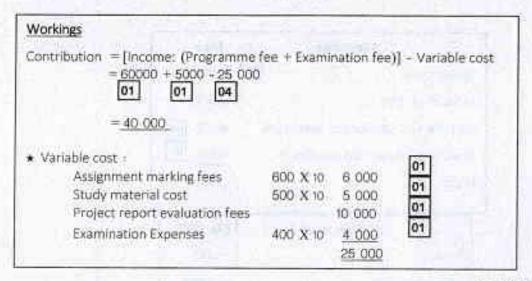


#### Workings

At the activity level of 1500 units; 01 <sub>960 000</sub> 02 Variable cost = 640 X 1500 = Fixed cost (132 000 + 180 000) 1 272 000 Total cost

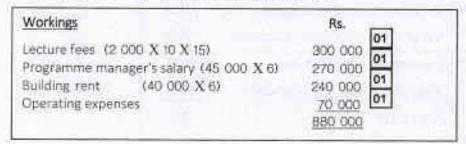
(03 marks)

(b) (1) Contribution per student = Rs. 40 000 (06)



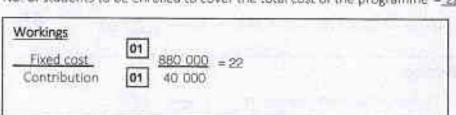
(06 marks)

(2) Total fixed cost of the programme = Rs. 880 000 04



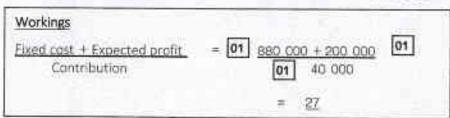
(D4 marks)

(3) No. of students to be enrolled to cover the total cost of the programme = 22 (02)



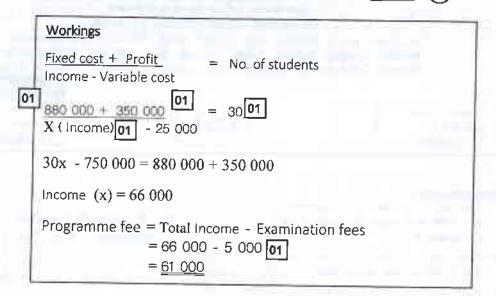
(02 marks)

(4) No. of students to be enrolled to earn a profit of Rs. 200 000 27 03

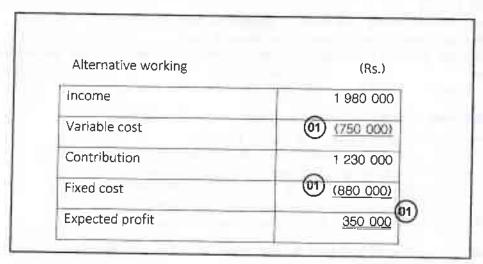


(03 marks)

(5) Minimum programme fee to be charged from a student if the expected profit is Rs.350 000 and the students to be enrolled are  $30 = Rs. \underline{61\ 000}$ 



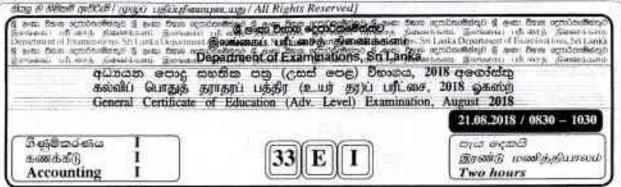
(05 marks)



Fees per student = 
$$\frac{1980000}{30(01)}$$
 = 66 000

		1	2	3	4	5	Total
Question No. 7	а	02	02	03	03		10
	b	06	04	02	03	05	20
							30

AL/2018/33/E-1



#### Instructions:

- \* Select the correct answers for questions No. 1-30 and write its number on the dotted line.
- \* Write short answers for questions
  No. 31-50 on the dotted lines
- \* Each question carries two marks.
- \* Write your Index Number in the space provided above.

Index	No.
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6	For Examiner	's Use Only		
	Signature	Code No.	For pa	aper I
1 <sup>ii</sup> Examiner			Q. Nos.	Marks
2 <sup>nd</sup> Examiner			01 - 30	
Addl, Chief			31 - 50	
F.M.F.				-
Chief			TOTAL	

- 1. Which of the following statement/s is/are correct pertaining to general purpose financial statements prepared by a firm?
  - A They provide mainly past financial information of a firm.
  - B They are prepared on demand of the external users.
  - C They are prepared in compliance with accounting standards and legal requirements.
  - (1) A only

- (2) A and B only
- (3) A and C only

- (4) B and C only
- (5) All A, B and C

Use the following information to answer questions No. 2, 3 and 4.

The following transactions took place in Nihal's business.

- \* 01 03 2018 Purchase of goods costing Rs 150 000 from Upasena on credit
- # 05.03.2018 Return of goods costing Rs 30 000 to Upasena
- \* 20.03.2018 Sale of goods costing Rs, 100.000 for Rs. 160.000 on credit
- ≈ 20.03.2018 Payment of sales commission of Rs. 10 000
- \* 02.04.2018 Settlement of the full amount due to Upasena
- 2. The accounting equation which shows the net impact of the above transactions in Nihal's business as at 31.03.2018:

	Assets (Rs.)	=	Liabilities (Rs.)	+	Equity (Rs.)	
(1)	+ 50 000				+ 50 000	
(2)	+ 60 000				+ 60 000	
(3)	+ 170 000		+ 120 000		+ 50 000	
(4)	+ 170 000		+ 150 000		+ 20 000	
(5)	+ 180 000		+ 120 000		+ 60 000	()

3. Owing to the above transactions the increase in the balances of creditors control account and debtors control account of Nihal's business as at 31.03.2018:

	Creditors control account (Rs.)	Debtors control account (Rs.)	
(1)	20 000	150 000	
(2)	20 000	160 000	
(3)	120 000	150 000	
(4)	120 000	160 000	
(5)	150 000	160 000	()