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Third Term Test - Grade 12 - 2024

Examination No.:

Accounting - I

Time : 2 hours

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 four marks.
- Write the index number in the space provide above

Question No.	Marks
01 - 30	
31 - 50	
Total	

- (01) Select the statement which **can't be** considered as an advantage of using accounting by a business,
- (1) Can provide information to the stake holders.
 - (2) Can use to control the resources of the business.
 - (3) Can detect the frauds related to business transactions.
 - (4) Can increase the profit of the period.
 - (5) Can obtain the information to make judgment about the business activities. (.....)
- (02) Accounting process is a collection of accounting functions. Select the answer shows the correct sequential order of following functions in the accounting process,
- A - Recording transactions in the prime entry books.
 - B - Preparing a trial balance.
 - C - Preparing financial statement.
 - D - Posting to the ledger.
- (1) ABCD (2) ABDC (3) ACBD (4) ADBC (5) ADCB (.....)
- (03) Some transactions occurred in a business which sells motor vehicle are given below,
- A - Returning a motor vehicle purchased for resale from Toyota Ltd.,
 - B - Receiving a discount when paying to Toyota Ltd.,
 - C - Purchased a motor vehicle on credit for the use of the manager.
- Select the answer respectively shows the prime entry books used to record above transactions.
- (1) Return outward journal, General journal, General journal
 - (2) Return outward journal, Cash payment journal, General journal
 - (3) Return outward journal, General journal, Purchaser journal
 - (4) Return inward journal, Cash payment journal, Cash payment journal
 - (5) Return inward journal, Cash payment journal, General journal (.....)
- (04) Land & buildings and stocks have been classified respectively as non-current assets and current assets in the statement of financial position. Select the accounting concept provides the basis for this classification,
- (1) Accrual Concept
 - (2) Matching Concept
 - (3) Money measurement Concept
 - (4) Going concern Concept
 - (5) Prudence concept (.....)



- (05) A printing shop and a foreign employment agency are own by a single person. Eventhough two business owned by a singhe person, profit on loss of each business is calculated separately. What is the accounting concept provides the basis for this,

- (1) Periodic concept (2) Entity concept
(3) Historical cost concept (4) Money measurement concept
(5) Prudence concept (.....)

- (06) "Plans are implemented as expected" select the interested party who is most interested about this,

- (1) Owners (2) Managers (3) Employees
(4) Competitors (5) Financial institutions (.....)

- (07) Select the answer shows the correct sequential order of financial accounting process,

- (1) Identification and measuring, Recording, Summarizing, Classifying
(2) Identification and measuring, Classifying, Recording, Summarizing
(3) Identification and measuring, Classifying, Recording, Summarizing
(4) Summarizing, Classifying, Recording, Identification and measuring
(5) Summarizing, Classifying, Identification and measuring, Recording (.....)

- (08) On 01/01/2023 Kavindu ltd purchased a machine on credit. On 31/12/2023, Loan installment of Rs. 30 000, including an interest of 10 000 was paid. Select the answer on shows the net impact of above transactions to the accounting equation,

	Assets (Rs.)		Equity (Rs.)	+	Liabilities (Rs.)	
(1)	370 000	=	- 30 000	+	400 000	
(2)	370 000	=	- 10 000	+	380 000	
(3)	380 000	=	- 10 000	+	390 000	
(4)	400 000	=	- 20 000	+	400 000	
(5)	400 000	=	- 30 000	+	430 000	(.....)

- (09) Given below is the impact of two transaction to the accounting equation.

	Assets (Rs.)	=	Equity (Rs.)	+	liabilities (Rs.)
(A)	- 25 000	=	-		- 25 000
(B)	+ 10 000	=	+ 10 000		

Select the transaction occurred,

Transaction A	Transaction B
(1) Sales of trade goods on credit Rs.25 000	Payment of Loan Rs.10 000
(2) Paying Loan Rs.25 000	Receiving rent income Rs.10 000
(3) Drawing of Rs.25 000	Paying Rs.10 000 to creditors
(4) Obtained a loan of Rs.25 000	Paying salary of Rs.25 000
(5) Re payment of loan Rs.25 000	Sales of goods costing Rs. 25 000 for Rs.10 000
	(.....)

- (10) Janasiri Started a business on 01/04/2023 by investing Rs. 700 000 As at 31/03/2024 total assets of the business was Rs. 1500 000 while increase of liability was Rs. 300 000. Additional capital contribution and drawings made by the owner during the period respectively were Rs. 40 000 and Rs. 140 000 profit for the period was,

- (1) Rs. 400 000 (2) Rs. 600 000 (3) Rs. 1100 000 (4) Rs. 1200 000 (5) Rs. 1300 000 (.....)

● **Use following information when answering question no. 11 and 12,**

Balance as per bank statement of Kusals business as at 31.03.2024 was Rs. 320 000 but it was not equal to the cash control account balance due to following reasons.

- Un-realized cheques and un-resented cheques as at 31.03.2024 respectively were Rs. 110 000 and Rs. 80 000.
- Issued cheque of Rs. 25 000 has been recorded in the cash payment journal as Rs. 15 000 correct amount has already been paid by the bank.
- Bank charges and insurance paid as per the standing order respectively were Rs. 1 000 and Rs. 2 000.

(11) Cash balance to be shown in the statement of financial position prepared as at 31.03.2024 is,

- (1) Rs. 290 000 (2) Rs. 292 000 (3) Rs. 320 000 (4) Rs. 304 000 (5) Rs. 350 000 (.....)

(12) Balance of cash control account as at 31.03.2024 before making adjustment is,

- (1) Rs. 304 000 (2) Rs. 320 000 (3) Rs. 344 000 (4) Rs. 362 000 (5) Rs. 363 000 (.....)

(13) Amasha traders started petty cash imprest system on 01.04.2024. The petty cash imprest of the business was Rs. 15 000. It was decided to increase the petty cash imprest by Rs. 5 000 from the month of May. Amount re-imbursed on 01.05.2024 was Rs. 19 500. Petty cash balance as at 31.05.2024 was Rs. 1 500. How much was the increase or decrease of petty cash expense from the month of April to May,

- (1) Increase of Rs. 4 000 (2) Decrease of Rs. 4 000 (3) Increase of Rs. 5 000
(4) Decrease of Rs. 5 000 (5) Increase of Rs. 18 500 (.....)

(14) Following transaction were occurred during the month of March 2024 in the business of Samantha Traders which is registered for VAT.

- Sales including 10% VAT Rs. 550 000.
- Credit purchase including 10% VAT Rs. 330 000.
- VAT paid to inland revenue department Rs. 10 000.

Balance of VAT control account as at 31/03/2024 is,

- (1) Rs. 10000 assets (2) Rs. 10000 liability (3) Rs. 30000 assets
(4) Rs. 30000 liability (5) Rs. 190000 assets (.....)

(15) Followings are the some errors occurred in preparing accounts of a business.

A - Total of Discount received account has been understated by Rs. 2 000.

B - Bad debts written of Rs. 3 000 has been credited to bad debts account.

C - Commission income of Rs. 5 000 has not been recorded in the relevant income account.

Select the error / errors, from the given above which create a credit balance in the suspense account.

- (1) only A. (2) only B (3) B and C only
(4) A and C only (5) A, B, C all (.....)

(16) Following are some errors occurred in Sankalpa business,

- Building repair expense of Rs. 50 000 has been debited to the building account.
- Sales invoice of Rs. 10 000 has been totally omitted from the books.
- Cash received from debtors of Rs. 40 000 has been recorded twice in the books.

Net impact on profit after correcting above errors,

- (1) Increased by Rs. 10 000 (2) Increased by Rs. 50 000 (3) Decreased by Rs. 40 000
(4) Increased by Rs. 50 000 (5) Decreased by Rs. 65 000 (.....)

- When answering question number 17 & 18 use following information. Following information related to trade payables was taken from the books of Priya Ltd. , relevant for the month of April 2024.

	Sanka	Asanka	Sasanka
Balance as at 01.04.2023 Rs.	13 000	10 000	-
Purchases (marked up price) Rs.	6 000	4 000	5 000
Cash paid (cheques issued) Rs.	10 000	6 000	4 000
Discount received	400	200	-

Trade discount deducted when purchasing was 20% of marked up price.

- (17) Balance of trade payable control account as at 30.04.2024,

- (1) Rs. 14 400 Cr (2) Rs. 14 400 Dr (3) Rs. 15 600 Cr
(4) Rs. 15 600 Dr (5) Rs. 16 000 Cr (.....)

- (18) Cheque issued to Asanka has been dishonored. The correct journal entry to record the dishonored cheque is,

- (1) Trade payable control acc Dr 6 200 (2) Cash control acc Dr 6 000
Cash control acc Cr 6 000 Discount received Dr 200
Discount received acc Cr 200 Trade payable control Cr 6 200
- (3) Trade payable control Dr 6 000 (4) Cash control account Dr 5 800
Cash control Cr 5 800 Discount received account Dr 200
Discount received Cr 200 Trade payable control account Cr 6 000
- (5) Discount received account Dr 200
Trade payable control account Cr 200 (.....)

- (19) Trade receivable control account balance of Asitha traders as a 31.3.2024 was Rs. 95 000. It was not equal to the total of list of trade receivable due to following reasons.

- A - Total of sales journal has been overstated by Rs. 50 000.
- B - Cash received from Sangeeth, a debbor, of Rs. 4 000 has not been recorded in his account.
- C - Sales made to Vishwa, including VAT of 15%, of Rs. 34 500 has been correctly recorded in his account while recording in sales journal value without VAT.

What is the balance appeared in the list of debtors as at 31.03.2024.

- (1) Rs. 44 500 (2) Rs. 45 500 (3) Rs. 53 500 (4) Rs. 136 500 (5) Rs. 144 500 (.....)

- (20) Trial balance of Chanaka traders prepared as at 31.03.2024 was not agreed. Difference was transferred to the suspense account and following errors were detected later.

- Total of Sales journal has been understated by Rs. 50 000.
- Cheque issued pay employee salary of Rs. 25 000 has not been debited to the salary expense account while correctly recorded in the cash control account.
- Accrued electricity of Rs. 5 000 has been recorded twice in the general journal.

Difference of the trial balance prepared as at 31.03.2024 was,

- (1) Rs. 15 000 Dr. (2) Rs. 15 000 Cr. (3) Rs. 25 000 Dr.
(4) Rs. 25 000 Cr. (5) Rs. 33 000 Cr. (.....)

- (21) Select the answer does not show the correct journal entry used to record the given transactions.

Transaction	Dr.	Cr.
(1) Purchase of goods on cash Rs. 80 000	Purchased a/c dr.	Cash a/c cr.
(2) Purchase of goods on credit Rs. 30 000	Purchased a/c dr.	Credit cont. cr.
(3) Sales of goods on cash Rs. 50 000	Cash a/c dr.	Sales cr.
(4) Sales of goods on credit Rs. 40 000	Credit for control dr.	Sales cr.
(5) Receiving electricity bill Rs. 2 000	Electricity expense dr.	Accrued electricity cr. (.....)

- (22) Select the answer shows the item that can be considered as the part of set of financial statements,

(1) Cash receipt journal	(2) Bank reconciliation statement	(3) Trial balance
(4) Income statement	(5) General journal	(.....)

- (23) Accrued electricity expense of Dinu business as at 01.04.2024 and 30.04.2024 respectively were Rs. 500 and Rs. 1 000. During the month Electricity bill of Rs. 4 500 including the electricity bill of owner's house of Rs. 2 000 has been paid in cash. Electricity expense that should be transferred to the comprehensive income statement is,

(1) Rs. 2 000	(2) Rs. 2 500	(3) Rs. 3 000	(4) Rs. 3 500	(5) Rs. 4 500	(.....)
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- (24) Following are some expense accounts taken from the trial balance,

A - Advertising	B - Lease interest
C - Office rent	D - Purchase
E - Carriage inward expense	F - Maintenance expense of a bus used to transport employees.

Select the correct classification of above expense,

	Cost of sales	Distribution expense	Administration expense	Finance expense
(1)	A, D	E	C	B, F
(2)	D, E	A	C, F	B
(3)	D, E	F	C	B
(4)	D, F	A	C	B
(5)	B, E	A, F	D	C
				(.....)

- (25) During the year ended 31.03.2024. Net salary paid to the employees after deducting employee contribution to the EPF of 10% of gross salary (only deduction) was Rs. 270 000. Employer also contributes 15% of gross salary to the EPF. Select the answer shows the gross salary and EPF expense of the business for the year ended 31.03.2024

Gross salary (Rs. 000)	EPF expense (Rs. 000)
(1) 2700	405
(2) 2700	450
(3) 300	450
(4) 300	750
(5) 3600	540
	(.....)

- (26) Following information was taken from the books of "Kaluthara bakers",

- i) Information related to stocks,

Stocks	Impact on closing balance	Value (Rs. 000)
Raw materials	Decrease	30
Working progress	Increase	15
Finished goods	Decrease	20

- ii) Purchase of stocks Rs. 130 000.
- iii) Direct labour cost Rs. 70 000.
- iv) Production overhead cost Rs. 35 000.
- v) Other direct cost Rs. 30 000

Working progress is adjusted at factory cost. Select the answer shows the prime cost and total production cost.

	Prime cost (Rs.000)	Total production cost (Rs.000)	
(1)	200	220	
(2)	200	250	
(3)	215	250	
(4)	260	280	
(5)	260	310	(.....)

● Use following information when answering questions no 27 and 28.

There were 165 members in the "BRS" sports club as at 01.01.2023. Annual membership per member is Rs. 6 000. Following information is relevant for the subscription for the year ended 31/12/2023.

- 25 new members were admitted during the year and they paid subscription for two years at once.
- As at 01.01.2023 there were 15 who have not paid the subscription for the last year. Membership of 10 members who have not paid the subscription for last year and current year were cancelled.
- 05 members out of members who were in areas for last year paid the subscription for the last year and current year.
- 12 members have not paid the subscription for the current year.

(27) Subscription received in cash during the year ended 31.12.2023 is, (Rs. 000)

- (1) 858 (2) 990 (3) 1008 (4) 1188 (5) 1830 (.....)

(28) Select the answer shows the subscription income subscription receivable and subscription received advance for the year ended 31/12/2023.

	Subscription income (Rs. 000)	Subscription receivable (Rs. 000)	Subscription received in advance (Rs. 000)	
(1)	858	90	150	
(2)	1080	72	150	
(3)	1080	60	300	
(4)	1140	162	300	
(5)	1140	72	150	(.....)

(29) Select the incorrect statement according to the section 24 of partnership ordinance of 1890.

- A - Partners are entitled received 5% of profit as salary for the contributions made to management.
- B - Partners are entitled to received 5% on loan provided by the partners to the partnership.
- C - If payable amount to a retired partner is transferred to a loan account 5% annual interest should be paid as this loan.
- D - If personal expense of a partner is paid by the business. It should be written off using current account.

- (1) A, C, D (2) A, B, C (3) B, C, D
(4) C, D (5) A, B, C, D (.....)

(30) Following conditions were included in the partnership conducted by Arther and Merlin.

- i) Arther is entitled to received monthly salary of Rs. 10 000.
- ii) Profit or loss should be shared among Arther and Merlin at the ratio of 2:1.
- iii) Arther and Merlin are entitled to receive respectively Rs. 100 000 and Rs. 80 000 as annual interest of capital.

Total sales income for the year ended 31.03.2024 was Rs. 2000 000. Cost of sales for the year was Rs. 1200 000. There were no other income, drawings or additional capital contribution. Total operational expense for the period was Rs. 200 000.

Select the answer shows the net increase of equity of the partners during the year.

	Arther	Merlin	
(1)	180 000	140 000	
(2)	330 000	270 000	
(3)	420 000	180 000	
(4)	420 000	240 000	
(5)	180 000	420 000	(.....)

● **Provide short answers for the questions from 31-50 on the given dotted line.**

31. Write the stake holder who is interested about of following information.

Information required	Stake holder
A - Is there sufficient return on their investments.	
B - Are plans implemented appropriately	
C - Job security.	
D - Are tax been paid on due dates.	

32. State whether value of Assets, Liability & equity increase, decrease or no change due to following transactions.

Transactions	Asset	Liability	Equity
A - Starting business by investing Rs. 150 000.			
B - Purchasing motor vehicle on credit for the use of the business.			
C - Purchasing furniture from Kamal for the use of the business.			
D - Charging late payment interest by the creditors.			

33. Impacts of two transactions to the accounting equation is given below.

Stocks (Rs.)	=	Equity (Rs.)	+	Trade payables (Rs.)
i) + 25 000	=			+ 25 000
ii)	=	- 2 500		+ 2 500

Write the transactions occurred.

- i)
- ii)

34. State the source document and prime entry book used to record following transactions.

Transaction	Source document	Prime entry book
A - Goods drawings		
B - Paying employee salary		
C - Returning goods sold on credit.		
D - Sales made on cash		

35. State following statement true or false indicating '✓' mark in the relevant column.

Statements	True	False
A - Net profit decreases when trades stocks are destroyed.		
B - VAT collected on sales is an income for the business.		
C - Income received in advance is a liability to a business.		
D - Equity decreases due to impairment loss on trade receivables.		

36. Write most applicable accounting concept for following treatments.

Treatment / situation	Accounting concept
A - Writing the accounting period in the income statement.	
B - Considering personal expense of the owner paid by the business as drawings.	
C - Recording a motor vehicle at its cost.	
D - Measuring closing stock at the lower of cost or NRV.	

37. Petty cashier had a balance Rs. 5 000 when reimbursement is made. Petty cashier has made following payments.

- Class fee of owners daughter Rs. 3 000.
- Payment creditor - Saman Rs. 4 000.
- Purchase of stationary Rs. 2 000.

Calculate,

- (i) Petty cash impress of the business Rs.
- (ii) Amount reimbursed Rs.

- Use following information when answering the questions number 38 and 39.
 - Balance of cash account of 'Abiman' traders as at 01.03.2024 was Rs. 50 000.
 - Total receipts during the month was Rs. 300 000. cheques worth Rs. 60 000 included in above receipts have not been realized.
 - Cheques worth Rs. 130 000 have only been presented to banks out of the total payment made during the month of Rs. 150 000.
 - As at 31.03.2024 bank balance as per the bank statement was Rs. 150 000. Other than the charges made by the bank no other omissions or errors.
38. Calculate adjusted cash control account balance as at 31.03.2024.
39. How much was the charges made by the bank? Rs.

40. Debit entries made to record a certain transaction is given below.

Discount allowed acc. Dr. 500
Cash control account Dr 4500

Write transaction related to the credit entry of this transaction.

.....

41. Following chart shows the elements of manufacturing cost.



Some cost items of Hemali furniture manufacture are given below.

- A - Cost of woods purchased Rs. 40 000
- B - Machine depreciation Rs.5 000
- C - Cost of sand papers and polish Rs. 2 000
- D - Carpenter salary Rs. 30 000
- E - Electricity expense Rs. 2 000

Write the cost value (a) and (b) in the given chart in relation to Himali furniture manufacture.

- (a)
- (b)

42. There were 30 members in "Delikanuwewa" death donation society which was started on 01.04.2023. Out of these members 10 members have obtained the life membership by paying ten times of annual membership at once by the each member. Annual membership per member is Rs. 5 000 life membership is recognised as an income during 10 years.

Subscription paid during the year.

- 5 members for 06 months.
- 8 members for 12 months.
- 7 members for 2 years.

Calculate following for the year ended 31.03.2024.

- A) Subscription income for the year Rs.
- B) Subscription received in cash during the year. Rs.

43. Write accounting elements of following accounts maintained in the not for profit organization.

Account	Element
A - Subscription.	
B - Motor vehicle received as a donation.	
C - Receipts and payment account.	
D - Subscription received in advance.	

44. Following errors have occurred in the "Ameen plc" during the ended 31.03.2024.

A - Total of sales journal Rs. 3000 00 has been posted to the sales account and trade receivable.

B - Discount allowed of Rs. 250 000 has been debited to the trade receivable control account.

Write the journal entries to correct above errors. (Narrative are not required)

(1)			
			
(2)			
			

● **Use following information when answering question no. 45 to 47.**

On 01.04.2023 Shamla was admitted to the partnership conducted by Umasha and Nimasha sharing profit and loss at the ratio of 3:2 on that date goodwill of the partnership was valued at Rs. 600 000 and agreed to adjust the goodwill through the capital account of partners. Shamla invested Rs. 600 000 to the business on that date.

New agreement of partners.

A - Sharing profit or loss among Umasha, Nimasha and Shamla respectively at the ratio of 3:2:1.

B - Paying annual salary of Rs. 60 000 each partner.

Following balance were appeared in the capital account and current account after recording all transactions correctly.

	Umasha (Rs.)	Nimasha (Rs.)	Shamla (Rs.)
Capital account	1420 000	880 000	500 000
Current account	570 000	400 000	140 000

- Drawing made by Shamla during the year was Rs. 40 000.

45. Write the journal entries to adjust the goodwill when Shamla was admitted. (Narratives are not required)

.....

.....

.....

.....

.....

46. How much was the profit of the partnership for the year ended 31.03.2024? Rs.

47. How much was the equity of the partnership as at 31.03.2023? Rs.

48. State whether following statements are true (T) or false (F).

Statement	T/F
A - Accrual concept provides the basis for the recognition of debtors and creditors in the financial statements.	
B - Accounting period concept provided the basis for the classification of assets and liabilities as current and non-current.	
C - According to the accounting entity concepts, skills of the employees are not recognized in the financial statements.	
D - Expected losses are recognized as expense of the current year according to the prudence concept.	

• **Use following information when answering question No. 49 to 50.**

i) Summarized statement of financial position of Nuwan traders is given below.

(Rs.000)

Assets

Carrying amount of PPE	6 000
Stocks	1 000
Trade receivable	1 500
Cash at bank	500
	<u>9 000</u>

Equity & Liabilities

Capital	8 760
Trade payable	<u>240</u>
	<u>9 000</u>

ii) Summary of transactions occurred during the year ended 31.03.2024.

(Rs.000)

Sales (60% on credit)	6 000
Cash received from debtors	2 500
Purchase (80% on credit)	3 000
Payment to creditor	1 240
Operational expense paid	520
Depreciation of PPE	1 000
Cash drawings	120

iii) Stocks as at 31.03.2024 was Rs. 750 000.

49. Calculate following account balances at 31.03.2024.

A) Trade receivable account	Rs.
B) Trade payable account	Rs.
C) Cash account	Rs.

50. Calculate net profit or loss generated by the business during the year ended 31.03.2024. Rs.

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තෙවන වාර පරීක්ෂණය - 12 ශ්‍රේණිය - 2024
 Third Term Test - Grade 12 - 2024

Examination No.:

Accounting - II

Time : 3 hours

(අමතර කියවීම් කාලය විනාඩි 10 යි)

Condition :

- Answer only 05 questions including questions number 01 & 02.
- Begin each answer on a fresh sheet of paper.
- Relevant workings should be attached to the answer script.

01. Trial balance as at 31.03.2024 of the partnership conducted by Asiri and Bimsara is given below.

Dr (Rs.000) Cr (Rs.000)

Capital account	Asiri		3 000
	Bimsara		2 500
Current account	Asiri		500
	Bimsara		400
Sales			5 700
Loan account - Asiri (01.04.2023)			1 000
Trade payable			800
Return outwards			200
Building rent received			150
Discount received			100
Assets invested by Charuka as Capital			2 000
Purchase of finished goods		2 400	
Finished goods stock (01.04.2023)		200	
Trade receivables		1 080	
Return inwards		200	
Manufacturing cost		1 200	
Distribution cost		390	
Administration expense		1 100	
Raw material stock 31.03.2024		100	
Working progress stock 31.03.2024		150	
Loan interest paid		50	
Cash		1 400	
Drawings	Asiri	300	
	Bimsara	200	
Interest on capital paid	Asiri	150	
	Bimsara	100	
Property plant and equipment		7 330	
		16 350	16 350



Additional information :-

- Following information should be taken in to account before preparing financial statements for the year ended 31.03.2024.
 - i. Cost of finished goods stock as at 31.03.2024 has been estimated as Rs. 500 000.
 - ii. Raw material stock destroyed of Rs. 100 000 has not been considered when calculating manufacturing cost. Cost of raw material stocks as at 31/03/2024 has been value as per the physical verification.
 - iii. Administration expense includes salary paid to Asiri and Bimsara respectively Rs. 120 000 and Rs. 80 000.
 - iv. Accrued advertising expense was Rs. 150 000 while prepaid insurance expense was Rs. 100 000 as at 31.03.2024.
 - v. Rs. 80 000 out of ending debtors should be written off as bad debts.
 - vi. On 31.03.2024 Chatuka was admitted to the partnership as a new partner. He invested Rs. 800 000 in cash and a motor vehicle worth Rs. 1200 000. His investment in shown in the trial balance as assets invested by the owner. At the admission of Charuka goodwill of the business was valued at Rs. 1000 000 and agreed to adjust through the capital account of partners.
 - vii. Old partnership agreement
 - 1) Sharing profit and loss between Asiri and Bimsara at the ratio of 3:2.
 - 2) Paying monthly salary of Rs. 20 000 to each partner.
 - 3) Paying 10% annual interest on opening balance of capital accounts.
 - 4) Paying 10% annual interest for the loans provided by the partners to the partnership.
 - New partnership agreement (After the admission of Charuka)
 - 1) Sharing profit and loss among Asiri, Bimsara and Charuka a the ration of 5:3:2.
 - 2) Other conditions in the old agreement are used without changing.
 - viii. Part of the building has rented to a thired party at agreed annual rent of Rs. 300 000. Rent received during the year has been given in the trial balance.

Required,

- (1) Profit or loss statement including appropriations for the year ended 31.03.2024. (20 marks)
- (2) Current account of partners. (09 marks)
- (3) Capital account of partners. (05 marks)
- (4) Following balanced to be shown in the statement of Financial position prepared as at 31.03.2024.
 - Stocks / Trade receivable / Total equity (06 marks)

02. Summary of transactions occurred in the Chamari traders during the month of June 2024 are given below. This is a business registered for VAT. Applicable VAT rate is 18%.

i) Debtors and creditors balances as at 01.06.2024. (Rs.000)

Debtors	(Rs.000)	Creditors	(Rs.000)
Harshitha	100	Matheesa	80
Sadeepa	200	Kusal	120
Vishmi (Cr)	50	Sadeera	20

ii) Transactions made with debtors (Information taken from the prime entry books.)

Debtor	Sales excluding VAT	Return inwards excluding VAT	Discount allowed	Cash received	Bad debts
Harshitha	2 000	200	150	1 350	100
Sadeepa	2 500	250	180	1 625	
Vishmi	3 000	300	200	1 800	200
Total	<u>7 500</u>	<u>750</u>	<u>530</u>	<u>4 770</u>	<u>300</u>

iii) Transactions made with creditors. (Information taken from the prime entry books.)

Creditor	Purchase excluding VAT	Return outwards excluding VAT	Discount received	Cash paid	Late interest
Matheesa	1 000	100	50	450	80
Kusal	1 500	200	100	900	
Sadeera	1 800	300	120	1 080	100
	<u>4 300</u>	<u>600</u>	<u>270</u>	<u>2 430</u>	<u>180</u>

iv) As at 01.06.2024 total of list of debtors and total of list of creditor were equal to the respective control account balance. These balanced were not equal at the end of the month due to following reasons.

- Sales made to Vishmi has not been entered in the sales journal. But it has been correctly recorded in her account.
- Total of the discount allowed column of cash receipts journal has been calculated as Rs. 350 000. This value has been posted to the general ledger.
- Bad debts have not been posted to the general ledger while recording correctly in the sub larger.
- Total credit purchases of June has been posted to the general ledger as Rs. 3400 000. VAT has been correctly accounted.
- Late interest charged by the creditors has been debited to the creditors control account while correctly posting the credit entry.

Required,

- Trade receivable control account and trade payable control account before correcting above errors. (20 marks)
- Adjusted trade receivable control account & adjusted trade payable control account.(10 marks)
- Journal entries to correct above errors. (10 marks)

03. On 01.04.2024 Wathsaka started a business. Impact, of transactions & occurred during the month of April, to the accounting equation is given below. He conducts the business in a rented building and one year rent has to be paid at once. All cash transaction are made through a current account.

Rs.

Date	Assets =						Liabilities				+ Equity
	Motor vehicle	Furniture	Stocks	Prepaid expense	Trade receivable	Cash	Bank loan	Trade Payable	Other payables	Advance received	
4/1	+6000	+600				+1400					+8000
4/2			+800			-200		+600			
4/3				+220		-240					-20
4/5			-300			+500					+200
4/8			-30			-20					-50
4/12						-360		-400			+40
4/15			-200		+350						+150
4/15						+500	+500				
4/18			+20		-35						-15
4/20					-50			-40			-10
4/22					-10						-10
4/24						-100			+20		-120
4/25						+150				+150	
4/28					-150	+150					
4/30	-60	-6									-66
4/30						-60	-50				-10
01/05											

Additional information :

- Except transaction occurred on 01.04 and 08.04 other transaction affect the change the equity, are affecting on profit.
- Bank statement was received on 05.05.24. As per the bank statement,
 - Bank changes made was Rs. 5 000.
 - Cheque deposited on 25.04.2024 has not been realized.
 - Loan instalment paid on 30.04.2024 has not been recorded in he bank statement.

Require :

- Write the most probable transaction occurred on each day. (28 marks)
- Calculate profit or loss for the month preparing an income statement. (08 marks)
- Prepare bank reconciliation statement as at 31.03.2024. (04 marks)

04. Following information was taken from the books of "Eksith sports club" relevant for the year ended 31.12.2023.

- (i) Assets, Liability and equity as at 01.01.2023.

Rs. 000

Office Equipment	480
Subscription receivable	42
Cash (Bank) balance	778
Life time membership Fund	400
Subscription received in advance	48
Accumulated fund	?

Club considers its life membership fund as the part of it equity.

(ii) Information related to subscription.

- Life time membership - on 01.01.2021, 10 initial members have obtained the life membership by paying Rs. 500 000. Policy of the society is to recognize the life membership as an income during 10 years period.
- There are 500 normal members (who have not obtained the life membership) and annual membership per member is Rs. 6 000.

As at 01.01.2023 there were 70 members who have not paid the subscription for the last year and there were 80 members who have paid in advance.

On 01.07.2023 50 new members joined the society. They have paid subscription for year and admission fee of Rs. 1 000 each. Admission fee is recognized as an income in the year of receipt.

As at 31.12.2023. There were 40 members other than the newly joined members who have paid the subscription for the year 2024. There were 60 members who have not paid the subscription for 2023.

(iii) Annual general meeting of the Eksith Society was held on 28.12.2023. Following transactions are related to the general meeting.

- Income and expenses related to souvenir.

Income :- 50 colour pages at Rs. 2 500 per each page. Cash for 10 pages yet to be received.

40 black & white pages at Rs. 1000 each. Cash for 8 pages yet to be received.

Expense :- Total printing cost of souvenir is Rs. 50 000. Only Rs. 40 000 have been paid.

- For lunch

Income:- Sum of Rs. 500 was charged from each member including life members. There are 10 life members.

Expense:- Total cost of lunch was Rs. 210 000. Rs. 10 000 yet to be paid.

(iv) On 01.07.2023 a computer worth Rs. 300 000 was received as a donation. Policy of the organization to recognize donation as an income within 03 years. Useful life of computer is also estimated as 03 years.

(v) Sum of Rs. 100 000 was donated to a rural school to purchase sport equipments. On that date, society conducted a sport coaching camp. Rs. 50 000 was received as a sponsorship from a company for the camp. Total expenses incurred in this camp were Rs. 45 000.

Required :-

For the year ended 31.12.2023,

- | | |
|---|------------|
| (1) Subscription account and life membership fee account. | (10 marks) |
| (2) Cash account. | (11 marks) |
| (3) Surplus or deficit generated from annual general meeting. | (05 marks) |
| (4) Income statement. | (10 marks) |
| (5) Accumulated fund account as at 31.12.2024. | (04 marks) |

05. Anuththara is doing retail business. But she does not maintain proper set of records. Following information is relevant for the year ended 31.03.2024.

1) Summary of bank related transactions for the year ended 31.03.2024.

Description	Dr.	Cr.	Balance
Balance as at 01.04.2023			(20 000)
Total deposits		470 500	450 500
Paid to creditors	354 000		96 500
Salary paid	25 000		71 500
Rent paid	12 000		59 500
Electricity expense paid	3 500		56 000
Printing expense paid	2 550		53 450
Advertising expense paid	4 550		48 900
Drawings	30 000		18 900
Balance as at 31.03.2024.			18 900

2) Some of assets and liabilities are given below.

	01.04.2023	31.03.2024
Trade payables	24 000	35 000
Accrued rent	1 500	1 000
Accrued Electricity	200	150
Prepaid advertising	-	2 500
Stocks	?	35 000

- 3) No information could be taken about the stocks available as at 01.04.2023.
- 4) Sales and purchases were exclusively on credit basis. Gross profit margin on sales was 25%.
- 5) Anuththara maintains sales invoices for credit sales and date in which cash was received also written in the sales invoice.
- Receivable invoice as at 01.04.2023 Rs. 22 500.
 - Invoice written off as bad debts during the year Rs. 4 250.
 - Receivable invoices as at 31.03.2024 Rs. 47 750.

All cash received from debtors are deposited in the bank and all payments are made through the current account.

Required :

- (1) Income statement for the year ended 31.3.2024. (26 marks)
- (2) Capital as at 01.04.2023. (04 marks)
- (3) Statement financial position as at 31.03.2024. (10 marks)

06. Dekumkalu Furniture manufacture was started on 01.01.2024. They produce special type cupboard and sell in the local market. Following information is relevant for the first 03 months ended 31.03.2024.

- i. Purchase of woods was Rs. 900 000. Only Rs. 800 000 has only been paid. Further transportation expense of Rs. 100 000 was also paid. Transportation expense of Rs. 50 000 yet to be paid. Closing stock of woods as at 31/03/2024 was Rs. 250 000.
- ii. During the period 50 cupboard were completed. Direct labour cost paid to carpenters and helpers per cupboard was Rs. 4 000. Direct labour cost has not incurred on working progress stock. 45 cupboard were sold during the period by adding 30% profit on production cost.
- iii. Expenses incurred during the period.

Depreciation of machine	100 000	
Depreciation of distribution vehicle	80 000	
Indirect material used	400 000	
Superior salary	250 000	(out of this Rs. 50 000 is to be paid.)
Fuel	30 000	(out this fuel worth Rs. 10 000 remains in the store)
Factory manager salary	150 000	
Electricity expense	180 000	
Administration salary	50 000	
Salary of sales division	30 000	
Interest for three months	20 000	(not paid)
Building rent of sales division (paid for a one year)	240 000	

- iv. Working progress stock at factory cost was Rs. 100 000.

Required :

- (1) Prepare production cost statement for the three months ended 31.03.2024.
- (2) Calculate production cost of cupboard.
- (3) Calculate the selling price of a cupboard.
- (4) Calculate the cost of finished goods stocks as at 31.03.2024.
- (5) Prepare income statement for period ended 31.03.2024.



Third Term Test - 2024

Accounting

Answer Paper

Each question 01 to 50 carrion 4 marks each. Total 200 marks.

Quation No.	Answer No.
(01)	4
(02)	4
(03)	5
(04)	4
(05)	2
(06)	2
(07)	3
(08)	2
(09)	2
(10)	2

Quation No.	Answer No.
(11)	5
(12)	5
(13)	1
(14)	2
(15)	4
(16)	3
(17)	1
(18)	2
(19)	3
(20)	3

Quation No.	Answer No.
(21)	4
(22)	4
(23)	3
(24)	2
(25)	3
(26)	4
(27)	3
(28)	2
(29)	1
(30)	3

- | | | | | | | |
|-----|--|------------------------|---|-------------------------|---|----|
| 31. | A - Owners/Investors | | | B - Managers | | |
| | C - Employees | | | D - Govenment | | |
| 32. | | A | = | L | + | E |
| | A - | I | = | NC | + | I |
| | B - | NC | = | NC | + | NC |
| | C - | I | = | I | + | NC |
| | D - | NC | = | I | + | NC |
| 33. | i) Purchase stocks on credit Rs. 25 000. | | | | | |
| | ii) Accrued electricity Rs. 2 500. | | | | | |
| 34. | <u>Transaction</u> | <u>Source document</u> | | <u>prime entry book</u> | | |
| | A - | Journal voucher | | General journal | | |
| | B - | Payment voucher | | Cash payment journal | | |
| | C - | Credit Note | | R/out: journal | | |
| | D - | Debit Note | | cash receipt journal | | |
| 35. | Statement | Correct | | Incorrect | | |
| | A - | - | | ✓ | | |
| | B - | - | | ✓ | | |
| | C - | ✓ | | - | | |
| | D - | ✓ | | - | | |



36. A - Periodic
B - Entity
C - Historical cost
D - Prudence

37. A) Petty cash impress Rs. 14 000.
B) Rs. 7 000.

38. Rs. 190 000

39. Rs. 10 000

40. Received cash from a debtor settle Rs. 5 000 after deducting a 10% discount.

41. A) Rs. 70 000
B) Rs. 7 000

42. A) Rs. 150 000
B) Rs. 622 500

43. A - Income B - Income C - Asset D - Liability

44. (1) T/R control A/C 2 700
Sales A/C 2 700
(2) Suspend A/C 500
T/P control A/C 500

45. Capital A/C Dr V 300 Capital A/C K 100
N 200 Capital A/C Cr V 60
K 100 N 40
Capital A/C Cr. V 360
N 240

46. Rs. 900 000

47. Rs. 2450 000

48. A - T
B - F
C - F
D - T

49. A) Rs. 2600 000
B) Rs. 1900 000
C) Rs. 2920 000

50. Rs. 1230 000

Part - II

01. (1) Asiri Bimsara Partnership profit or loss statement for the ended 31. 03. 2024

(Rs.000)					
Sales			5700	<u>Workings</u>	
R/I			(200) ①	Des. cos	
			5 500	Balance	390
O/S	200			+ Advertising	150 ①
+ Purchase	2 400	①		+ Bad debts	80 ①
- R/ou	(200)	①			<u>620</u>
+ manufacturing cost	1 100	①			
	3 500	①		<u>Admin ex.,</u>	
(-) C/S	(500)	①		Balance	1 100
Cost of sales		①	(3000)	- Salary	(200) ①
Gross profit			200	- Insurance	(100) ①
<u>Other income</u>					<u>800</u>
Discount receive	100	①			
Rent income	300	①	400		
		②	2 900	<u>Prod. cost</u>	
Dis. cost	620	②		Balance	1 200
Admin: cost	800	①		(-) stock destroyed	(100) ①
Interest	100	①			<u>1 100</u>
Stock destroyed	100	①			
			(1 620)		
Net profit		①	1 280		
Interest on capital A	300	①			
B	250	①	(550)		
		①			
Salary A	240	①			
B	240	①	(480)		
			250		
Profit share A	150	①			
B	100	①	(250)		
			0		

(20 marks)

Current A/C

	A	B		A	B
Drawings	300	200 ①	B&F	500	400
Salary paid	120	80 ①	Interest - capital	① 300	250
Loan Interest paid	50	- ①	Salary	① 240	240
Interest on capital	150	50 ①	P/S	① 150	100
			Interest	① 100	-
	①	①			
B/C/d	<u>670</u>	<u>660</u>			

(08 marks)

Capital A/C

	A	B	C		A	B	C
G/W	500	300	200 ①	B&F	3 000	2 500	-
				Cash	-	-	800 ①
				PPE	-	-	200 ①
				G/W	600	400 ①	-
	①						
B/C/d	<u>3 100</u>	<u>2 600</u>	<u>1 800</u>		<u>3 600</u>	<u>2 900</u>	<u>2 000</u>

(05 marks)



Statement of Financial Position

(Rs.000)

Current assets

Stock	750	③ Row making	100
Trade receivable	1 000	① W/P	150
		② Finished goods	500

Equity

		8 830	
Capital A/C	A	3 100	
	B	2 600	
	C	1 800	
Current A/C	A	670	
	B	660	(07 marks)

02. 1)

T/R control A/C (Incorrect)

BBF	300	B/B/R	50
Sale	4 500	R/In.	750
VAT	810	VAT	135
		D/A	350
B/C/d	445	Cash	4 770
	<u>6 055</u>		<u>6 055</u>

T/P control A/C (Incorrect)

B/B/F	20	BBF	200
Interest	180	Purchase	3 400
R/O	600	VAT	774
VAT	108		
D/R	270		
Cash	2 430		
C/d	766		
	<u>4 374</u>		<u>4 374</u>

(01 mark for each correct item - maximum 18 marks)

2)

ixfYdaê; Kh.e;s md,k .sKqu

Sale	3 000	BBF	445
VAT	540	D/A	180
		Bad debts	300
		C/d	2 615
	<u>3 540</u>		<u>3 540</u>

Corrected T/P control A/C

		BBF	766
		Purchase	900
		Suspense	360
C/d	2 026		
	<u>2 026</u>		<u>2 026</u>

(01 mark for each correct item - maximum 10 marks)

(3) Journal entries to correct the errors.

- A) T/R control Dr. 3 000 (3)
 Sales Cr 3 000
 Recording sales made (Vishmi) (1)
 T/R control Dr 540
 VAT control Cr 540
 (Recording VAT) (2)
- B) Discount allowed 180
 T/R control 180
 () (2)
- C) Bad debts Dr. 300
 T/R control Cr. 300 (2)
 (correcting bad debts)
- D) Purchase Dr. 900
 T/P control Cr. 900 (2)
 (correcting purchase)
- E) Suspense Dr. 360
 T/P control Cr 360
 (correcting interest on late payments)

(12 marks)

03. (1) Transaction occurred during the month.

- 4/1 Starting a business by investing a motor vehicle worth Rs. 6000 000 furniture work 600 000 & cash Rs. 400 000. (02m.)
- 4/2 Purchase stocks worth Rs. 800 000 by paying Rs. 200 000 in cash, remaining on credit. (02m.)
- 4/3 Paid annual building rent of Rs. 240 000 Rs. 20 000 of paid rent relevant for the current month & remaining amount is recognized as pre paid rent. (02m.)
- 4/5 Sold goods for cash Rs. 500 000 cost of good sold was Rs. 300 000. (02m.)
- 4/8 Cash drawings and goods drawing respectively were Rs. 20 000 and Rs. 30 000. (02m.)
- 4/12 Paid Rs. 360 000 to creditors discount received was Rs. 40 000. (02m.)
- 4/15 Sold goods on credit Rs. 350 000 cost of goods sold was Rs. 200 000. (02m.)
- 4/15 Obtained a bank loan of Rs. 500 000. (02m.)
- 4/18 Return inwards Rs. 35 000 cost of goods returned Rs. 20 000. (02m.)
- 4/20 Receivable balance from a debtor of Rs. 50 000 was settled to the payable amount to him of Rs. 40 000. (02m.)
- 4/22 Bad debts written off Rs. 10 000. (02m.)
- 4/24 Paid Rs. 100 000 out of the monthly salary expense of Rs. 120 000. (02m.)
- 4/25 Received an advance of Rs. 150 000. (02m.)
- 4/28 Received from debtors Rs. 150 000. (02m.)
- 4/30 Motor vehicle depreciation Rs. 60 000. Furniture depreciation Rs. 6 000. (02m.)

03. 2) Wathsaka Business Income statement for the month ended 30. 04. 2024

		Rs.000	Workings
Sales		815 (2)	Date cost of sales sales
Cost of sales		(480) (2)	4/5 300 (1) 500 (1)
Gross profit		335	4/15 200 (1) 350 (1)
Other income			4/18 (20) (1) (35) (1)
Discount received	40		<u>480</u> <u>815</u>
		375	
Expense			• 01 mark for D 2 correct - maximum 04 marks.
Building rent	20		
Discount allowed	10		
Bad debts	10		
Salary	120		
Depreciation	66		
Interest	10		
Bank charges	5	(241)	
Net profit		<u>134</u>	

(08 marks)

- 3) Bank reconciliation statement

Adjusted cash balance		1715 (1)
+ un-presented cheques		60 (1)
		<u>1 775</u>
- un-realized cheques		(150) (1)
Balance as per bank statement	(1)	<u>1624</u>

04.

Subscription		hdjÔj idudöl uqo,a .sKqu	
BBF (1) 42	b\$l,ska ,o (1) 48	T/s 50	B/F 400
D/S (2) 3150	uqo,a (2) 3 174	C/d (1) 350	
C/d (1) 390	m\$ys. (1) 360	<u>(1) 400</u>	<u>400</u>
<u>3 582</u>	<u>3 582</u>		
Cash A/C		Accumulated fund A/C	
B/F (1) 778	Souvenir (1) 40		B/B/F (3) 852
Subscription (1) 174	Refreshment (1) 200		Samples (1) 3 290
Admission (1) 50	Donation (1) 100		
Souviner - C (1) 100	Car... expense (1) 45	C/D 4 142	
B/W (1) 32		<u>4 142</u>	<u>4 142</u>
Charges (1) 280			
Sponsors 50	C/D (1) 4 079		
<u>4 464</u>	<u>4 464</u>		

Income statement for the
Year ended 31.12.2024

	(Rs.000)	
<u>Income</u>		
Subscription normal	3 150	(2)
- lifetime	50	(1)
Admission fee	50	(1)
Samples - AG	185	(1)
Donation	50	(1)
		3 485
<u>Ex.</u>		
Dep. - Computer	50	(1)
Donations	100	(1)
Cam expense	45	(1)
		(195)
Surplus		3290 (1)

Income statement of AGM

	(Rs.000)	
<u>Souvenir</u>		
- colour	125	(1)
- Black & white	40	(1)
Charges		280
		445
<u>Expense</u>		
Printing	50	(1)
Refreshment	210	(1)
		(260)
Supplies		185 (1)

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	රු.000	
<u>Assets</u>		
Office equipment	480	(1)
Subscription receivable	42	
Cash	778	
	1 300	
Subscription received in advance	(48)	(1)
Equity	1 252	
Life time membership	(400)	(1)
Accumulated fund	852	

Subscription income

500 × 6000	=	3000 000
50 × 3000	=	150 000
		3150 000

Received in advance

50 × 3000	=	150 000
40 × 6000	=	240 000
		390 000

Receivable

60 × 6000	=	360 000
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05.

Anuththara traders
Income statement for the year
ended 31.03.2024

		(Rs.000)
Sales		500 000 (4)
Cost of sales	(2)	
O/S	45 000 (4)	
+ Purchase	36 500	
	410 000	
(-) closing stock	(35 000) (1)	
Cost of sales		(375 000) (2)
Gross profit		125 000 (2)
<u>Expense</u>		
Bad debts	4 250 (1)	
Salary	25 000 (1)	
Rent	11 500	
Electricity	5 450	
Printing cost ex.,	2 550 (1)	
Advertising ex.,	2 050 (1)	(48 800)
Net profit		76 200 (1)

Workings :

T/R control Acc.			
B/B/F	(1) 22 500	Bad debts	4 250 (1)
Sales	500 000	Cash	470 500 (1)
		B/c/d	47 750 (1)
	<u>522 500</u>		<u>522 500</u>

T/P control A/C			
Cash	(1) 354 000	B/B/F	24 000 (1)
		Purchase	365 000 (1)
B/C/d	(1) 35 00		
	<u>389 000</u>		<u>389 000</u>

Rent			
Cash	(1) 12 000	B/B/F	1 500 (1)
		P/L	11 500
C/D	(1) 1 000		
	<u>13 000</u>		<u>13 000</u>

Statement Financial Position as at 01.04.2024

		(Rs.000)
<u>Assets</u>		
Stocks	45 000	(1)
Debtors	22 500	67 500
<u>Liabilities</u>		
Creditors	24 000	
Acc. rent	15 000	
Acc. Electricity	200	
Bank over draft	(1) 20 000	(45 700)
Capital		21 800 (4)

Electricity			
Cash	(1) 3 500	B/B/F	200 (1)
		P/L	3 450
C/D	(1) 1 500		
	<u>3 650</u>		<u>3 650</u>

(2 x 2 = 4 marks)



Sorp Of Anuththara traders
as at 31.03.2024

	(Rs.000)	
<u>Assets</u>		
Stocks	35 000	①
Debtors	47 750	①
Prepaid advertising	2 500	①
Cash	18 900	①
		104 150
<u>Equity</u>		
Capital	21 800	①
Net profit	76 200	①
(-) Drawings	(3 000)	①
		68 000
<u>Liabilities</u>		
Creditors	35 000	①
Acc. rent	1 000	①
Acc. Electricity	150	①
		36 150
		104 450
		(10 marks)

06. 1)

Dekumkalu Ltd.,
Statement of Production Cost

	(Rs.000)	
Raw mat: O/S		
+ Pur. of woods	900	②
Carriage inv. ex.,	150	②
	1 050	
C/S stocks	(250)	①
Cost of Rm used		800 ①
Direc Labour cost		200 ②
		1 000 ②
Prime cost		
<u>Pro. OH</u>		
Machine dep.:	100	①
Indirect material	400	①
Supervisor salary	250	②
Factory manager salary	150	①
Puch.	20	②
Electricity	180	①
		1 100
Man. cost. incurest during the year		2 100
w/p @ Begining		
w/p @ End.	(100)	① (100)
Production cost		2 000 ②

- 10
- 2) Unit production cost = $\frac{2000\ 000}{50} = \text{Rs. } 40\ 000$
- 3) Selling price = Cost + Profit = Selling price
- 100 + 30 = 130
- (1) 40 + $40 \times \frac{30}{100} = 52$
- 4) Cost of finished products as at 31.03.2024 } Rs. 2000 000

5)

Income statement		(Rs.000)
Sales		2 340
cost of sales		(1 800)
Gross profit		540
<u>Ex.,</u>		
Admin salary	50	
Depre - Van	80	
Sales staff salary	30	
Loan Interest	20	
Rent	60	(240)
Net profit		300