

Holiday Assignments

ADVANCE LEVEL

Subject: Accounting

Grade 13

Medium: English

4. (a) Following transactions and balances were taken from 'Nikethana' business who engaged with buying and selling of 'Art Creations'

| Balances as at 01.04.2018 | Rs. '000 |
|---------------------------|----------|
| Cash | 180 |
| Trade payables | 60 |
| Payable VAT | 15 |
| Payable Electricity bill | 5 |

Cash payments and credit transactions of the business. during the month of April 2018

- 04/02 - Payment of Insurance Rs. 10 000 (Voucher No: 081, cheque No: 623750)
04/03 - Payment of electricity bill Rs. 11 000 (voucher No.083, cheque No:623751)
Electricity bill relevant for month of April Rs. 6 000.
04/06 - Purchase of art creations Rs. 160 000. (Voucher No. 083, cheque No:623752)
04/08 - Credit purchase of Art creations from Lasath Rs. 85 000. Trade Discount Rs.5 000.
(Invoice No: 072)
04/15 - Credit purchase of Art creations from Akash Rs. 60 000. T (Invoice No: 073)
04/20 - Discount received Rs. 2 000. when settling a due of Rs. 50 000 to Akash.
(voucher No: 084, cheque No:623753)
04/25 - Discount received Rs. 3 000, when settling a due of Rs. 80 000 to Lasath.
(voucher No:085, cheque No: 623754)

Additional Information:

- (1) Above business is registered for VAT and 15% VAT applicable for purchases and sales.
- (2) VAT is not included in above sales and purchases figures.
- (3) Total Amount of cash receipt journal as at 30th April 2018 was Rs. 400 000

Required:

- (1) Record the above transactions in the following Journals. (prime entry books)
 - (i) Cash payment journal
 - (ii) Purchase journal
- (2) The following accounts in the General ledger:
 - (i) Cash Account
 - (ii) Purchase Account
 - (iii) Trade payable Account
 - (iv) VAT Receivable Account

(10 Marks)

- (b) 'Nuwanesa' children Association was established on 01.04.2017, with the objective of improving the reading skills of children.

Monthly subscription per member is Rs. 2 000. Income of the life time membership is recognized as income within 10 years.

- * Initial members of the Association was 25 and put of them 10 members are life members.
- * During the year 2017/2018, 5 members paid their subscriptions for 10 months and rest of members paid for full year.
- * On 01.07.2017 another 10 members joined to the association paying full year subscriptions.
- * On 01.10.2017, Rs. 20 000 worth of cash and Rs. 50 000 worth of furniture were received as donations to association, Furniture should be depreciated 10% on straight line method.
- Monthly building rent of association is Rs. 1 000 and has been paid for 10 months during the period.

Structure of Question Papers and Prototype Questions for G.C.E.(A.L.) Examinations - 2019 Afterwards - Business Statistics

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- Following payments were made during the year.
For Magazine Rs. 1 500
For electricity Rs. 3 000
Stationary Rs. 2 000
- A magazine was launched to the writing skill of members of the association and printing and other cost were incurred Rs. 5 000. Received Rs. 4 000 from Advertisements from sponsors and Rs. 4 000 from sales of magazines.

Required:

- (1) Income statement for the year ended 31.03.2018
 - (2) Extracts of statements financial position as at 31.3.2018 related with subscriptions.
- (05 Marks)

(c) Following information related to property, plant and equipment of Jayali Public Limited as at 31.03.2017

| Assets | Cost/ revalued Amount (Rs.'000) | Carrying Amount (Rs.'000) | useful life time (years) | Scrap value (Rs.'000) |
|----------------|--|------------------------------|-----------------------------|--------------------------|
| Land | 5 000 | - | - | - |
| Building | 5 400 | 1 500 | 40 | 200 |
| Machines | 2 200 | 800 | 5 | 200 |
| Motor Vehicles | 1 500 | 1 080 | 10 | 100 |

- Business is depreciate their all depreciable assets on straight time method.
 - Following transactions occurred during the year ended 31.03.2018
- (1) On 01.04.2017 Land was revalued for Rs. 5 500 000, A deficit of Rs. 300 000 was incurred from a revaluation made before 2 years.
 - (2) Modification of building was made on 01.04.2017 by spending Rs. 500 000. Due to this Modification remaining useful life time was increased by 20 years and, scrap value estimation was not changed.
 - (3) On 01.04.2017 Machine was purchased on a finance leasing and related information are as follows.

| | |
|-----------------------------|---------------|
| Fair value of machine | Rs. 1 200 000 |
| Down payment | Rs. 400 000 |
| lease installment | Rs. 300 000 |
| Lease period | 4 years |
| Useful life time of machine | 5 years |
| Scrap value of machine | Rs. 200 000 |
- Lease interest included in first and second installment were Rs. 160 000 and Rs. 140 000 respectively. First installment was paid on 31.03.2018.
 - Lease installment should be paid at the end of each financial year.

Required:

- (1) Extracts to statement of profit loss and other comprehensive income for the year ended 31.03.2018 using following format.

| | |
|-----------------------------------|-------|
| Distribution Cost | |
| Administration expense | |
| Other expense | |
| Finance Cost | |
| Other comprehensive income | |
| Land revaluation surplus | |

- (2) Extracts of statement of financial position as at 31/3/2018 showing all amounts related to lease liability.

(5 Marks)
(Total 20 Marks)