

EASTERN UNIVERSITY, SRI LANKA

Second year Second Semester Examination in Science 2010/2011

(June 2016) (Special Repeat)

OC 205 Financial Accounting – II



Answer the all questions.

Calculator is permitted.

The Receipts and Payments Account of a Charity Elders Home for the year ended 31.12.2015 is given below:

Receipts	Rs.	Payments	Rs.
Cash balance at 01.01.2015	40,000	Elders care expenses	80,000
Members' subscription	160,000	Administrative salaries	24,000
Donation	80,000	Stationery	5,200
Interest on Fixed deposit	20,000	Medical expenses	6,300
		Insurance	5,000
		Equipment	30,000
		Furniture	50,000
		Electricity	20,000
		Sundry expenses	13,500
		Entertainment expenses	36,000
		Cash Balance at 31.12.2015	30,000
	<b>300,000</b>		<b>300,000</b>

Other Balances are as follows:

Balances as at	01.01.2015 Rs.	31.12.2015 Rs.
Land & Building (Book value)	250,000	240,000
Furniture (Book value)	80,000	110,000
Equipment (Book value)	70,000	90,000
Fixed Deposit	100,000	100,000
Subscription in arrears	9,000	7,000
Subscription received in advance	6,000	2,000
Electricity Payable	5,000	3,000

**Required :**

Prepare the following for the Elders Home:

- i. Statement of Affairs as at 01.01.2015.
- ii. Subscription Account
- iii. Income & Expenditure Account for the year ended 31.12.2015.
- v. Statement of Affairs as at 31.12.2015.  
(Show workings clearly)

(80 Marks)

02. Mr.Randika carries on a grocery business. The following data have been extracted from his books:

Balances	01.01.2015	31.12.2015
	Rs.	Rs.
Plant and Machinery	250,000	240,000
Stocks	220,000	205,000
Trade debtors	80,000	225,000
Trade creditors	125,000	100,000
Cash in hand	14,000	10,000
Cash at bank	61,000	70,000

**Required:**

Prepare for Mr.Randika the Balance Sheets as at 01.01.2015 and 31.12.2015 and find out the opening capital balance and the net profit for the year ended 31.12.2015 assuming no drawings made from the business by the owner during the year.

(20 Marks)