

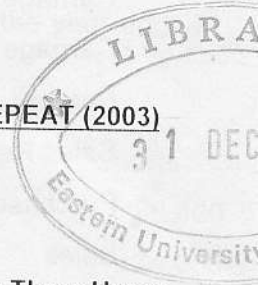
EASTERN UNIVERSITY, SRI LANKA

FACULTY OF COMMERCE AND MANAGEMENT

FIRST EXAMINATION IN DIPLOMA IN BUSINESS ADMINISTRATION – REPEAT (2003)

DIPLOMA PROGRAMME - EXTERNAL

DBA 103 FINANCIAL ACCOUNTING



Answer All questions.

Non – Programmable Calculators are Permitted

Time : Three Hours

01. The Trial Balance extracted from the books of a sole trader, Mr. Balasupramaniam, as at 30.09.2003, is as follows :

	Debit	Credit
	Rs.	Rs.
Fixed Assets : Land & Building	400,000	
Furniture & Fitting	100,000	
Motor Vehicle	300,000	
Equipment	80,000	
Provision for depreciation as at 01.10.2002		
Land & Building		40,000
Furniture & Fitting		20,000
Motor Vehicle		108,000
Equipment		15,200
Capital		520,000
Drawings	48,000	
15% Bank Loan		100,000
interest on Bank Loan	7,500	
Insurance, rent & rates	21,000	
Electricity	24,900	
Stationery	3,600	
Salesmen Salaries	44,000	
Office Salaries	24,000	
Motor vehicle maintenance	28,000	
Sales Commission	24,000	
Advertisement	50,000	
Bad debts	4,000	
Discount received		6,800
Discount allowed	9,000	

02. The Receipts and Payments Account of Disco Sports Club for the year ended 30.09.2003 is given below.

Receipts	Rs.	Payments	Rs.
Cash balance at 01.10.2002	42,000	Ground Maintenance	80,400
Members' subscription	197,400	Barman salary	24,000
Entrance Tickets collection	87,400	Stationery	5,200
Donation	40,000	Prizes	63,600
Received from Bar Debtors	161,200	Insurance	4,800
		Sports Equipment	50,000
		Furniture	100,000
		Paid to Bar Creditors	80,000
		Tournament Expenses	33,600
		Annual Lunch	36,000
		Cash Balance at 30.09.2003	50,400
	528,000		528,000

Other Balances are as follows :

	30.09.2002	30.09.2003
	Rs.	Rs.
Land & Building (Book value)	250,000	240,000
Furniture (Book value)	80,000	160,000
Sports Equipment (Book value)	70,000	110,000
Subscription in arrears	9,000	7,000
Subscription received in advance	6,400	2,400
Bar Debtors	25,000	30,000
Bar Creditors	16,000	13,000
Bar Stock	15,000	18,000

Required :

Prepare the following for Disco Sport Club.

- Statement of Affairs as at 01.10.2002.
- Bar Trading Account for the year ended 30.09.2003.
- Subscription Account
- Income & Expenditure Account for the year ended 30.09.2003.
- Statement of Affairs as at 30.09.2003.

(25 marks)

- 03 Mr. Ganapathipillai, a Sole Trader, did not keep his books of accounts properly. However, he is able to give the following financial information for his financial year ended 30.09.2003.

The summary of his cash transaction during the year.

	Rs.	
Cash Purchase	75,000	
Paid to creditors	165,000	
Paid salaries	20,000	
Paid selling expenses	12,000	
Paid rent & rates	3,500	
Paid electricity	8,500	
Cash sales	123,000	
Received from Debtors	212,000	
Purchased furniture	25,000	
Other balances		
	30.09.2002	30.09.2003
	Rs.	Rs.
Land & Buildings	200,000	190,000
Furniture	60,000	80,000
Stock	30,000	25,000
Debtors	23,000	28,000
Creditors	17,000	14,000
Electricity payable	2,500	2,000
Advertisement paid in advance	2,000	3,000
Cash in hand	5,000	6,000

Other information :

- Mr. Kanapathipillai said he has drawn some cash from the business for his personal use during the year.
- The depreciations on Land & Building and Furniture for the year were Rs. 10,000 and Rs. 5,000 respectively.

Required :

Prepare the following for Mr. Kanapathipillai.

- Cash account.

ii. The trading, and Profit & Loss Account for the year ended 30.09.2003.

iii. The Balance sheet as at 30.09.2003. (Shaw your workings clearly)

(25 marks)

04. Mani, Kumar, Siva are the partners sharing Profits and Losses in a business in the ratio of 2 : 2 : 1. Their Balance Sheet as at 30.09.2003 was as follows.

	Rs.		Rs.
Capital - Mani	200,000	Land & Buildings	350,000
- Kumar	200,000	Furniture	150,000
- Siva	100,000	Stock	100,000
General Reserve	100,000	Debtors	70,000
Creditors	100,000	Cash	30,000
	<u>700,000</u>		<u>700,000</u>

Partners agreed to admit Mr. Nathan in their partnership with effect from 01.10.2003. His profit share was $\frac{1}{6}$ and he brought Rs. 100,000 by cash as his capital. The profit sharing ratios between old partners remained unchanged. On the date of admission of the new partner, the goodwill of the firm was estimated at Rs. 60,000, for which no account was raised and was adjusted through partners' capital account. And also the following assets were revalue as follows.

	Rs.
Land & Building	460,000
Furniture	140,000
Stocks	90,000
Debtors	60,000

Required :

Prepare the followings :

i. Partners' capital accounts in columnar form.

ii. Assets Revaluation Account.

iii. The Balance sheet as at 01.10.2003.

(20 marks)