

EASTERN UNIVERSITY, SRI LANKA

Second year Second Semester Examination in Science 2009/2010

(April/May 2012) (Proper)

OC 205 Financial Accounting – II

Answer the all questions.

Time: One Hour

Calculator is permitted.

- (1). Following is the Receipt and payment account for the year ended of 31.12.2011:

Receipts	Rs.	Payments	Rs.
Balance b/d	500,000	Purchase of new vehicle	1000,000
Subscription	1480,000	Maintenance expenses	40,000
Interest received	40,000	Festival fee	120,000
Sales of old vehicle	120,000	Building rent	170,000
Donation	800,000	Travelling expenses	320,000
		Investment	800,000
		Salaries	140,000
		Other expenses	100,000
		Administration expenses	60,000
		Balance c/d	190,000
	2,940,000		2,940,000

Additional information:

- 2009/2010 subscription receivable – Rs.120,000
2010/2011 subscription receivable – Rs.180,000
2011/2012 subscription received in advance – Rs.100,000
- Interest receivable as at 31/12/2011- Rs.7, 000.
- The book value of old machine sold was Rs.160,000.
- During the period of 2010/2011 payable expenses of club are: building rent- Rs.80,000, salary Rs. 70,000 and maintenance expenses paid for 2011/2012 is Rs 20,000.
- The book value of Vehicle was Rs. 2,200,000 (including the new one) on 31.12.2011 and at Rs.1, 700,000 on 01.01.2011.

Required:

Prepare the Income and Expenditure account for the year ended 31.12.2011, and the Balance sheet as at 31.12.2011.

(50 Marks)

(2).

Ram, Ravi, and Raja are the partners sharing profit in a business in the ratio of 4:3:1. Their Balance sheet as at 30/06/2010 as follows :

Liabilities	Rs.	Assets	Rs.
Capital - Ram	250 000	Land & Building	450 000
- Ravi	250 000	Furniture	200 000
- Raja	150 000	Stock	100 000
General reserve	150 000	Trade debtors	100 000
Loan from Rajeev	100 000	Cash & Bank	150 000
Trade creditors	100 000		
	1000 000		1000 000

The partners agreed to admit Mr. Rajeev in their partnership from 01.07.2010 with the profit sharing ratio of 1/6, which is to be shared by the existing partners according to their profit sharing ratio, and the capital of Rs. 150 000 which is to be raised from his loan account and by cash. On that date the goodwill of the partnership was estimated at Rs. 80 000 and it was decided that no account would be raised for the goodwill and it should be adjusted through partner's capital account and future the following assets and liabilities were also revalued on that date, as under:

	Rs.
Land and Building	500 000
Furniture	175 000
Stocks	95 000
Debtors	93 000
Creditors	98 000

Required:

Prepare the following:

- Partner's capital account.
- Cash and Bank account.
- Assets revaluation account.
- Balance sheet as at 01 .07.2010.

(50 Marks)