

EASTERN UNIVERSITY, SRI LANKA

FACULTY OF SCIENCE

SECOND YEAR/ SECOND SEMESTER EXAMINATION IN SCIENCE

2002/2003 (PROPER & REPEAT)

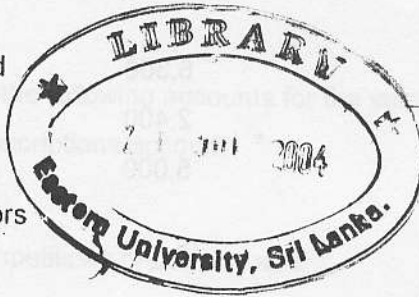
OC 205 FINANCIAL ACCOUNTING – II

Answer all Questions

Time : 01 Hour

01. The following are summaries of the cash and bank accounts of S. Siva who does not keep his books using the double entry system.

Bank summary	Rs.	Rs.
Balance on 1 January 2003		8,000
Receipts		
Debtors	26,000	
Cash banked	4,100	30,100
		<hr/>
		38,100
Payments		
Trade creditors	18,500	
Rent	1,400	
Machinery	7,500	
Wages	6,100	
Insurance	1,450	
Debtors (dishonoured cheque)	250	
Loan Interest	300	35,500
Balance on 31 December 2003		<hr/>
		2,600
Cash Summary	Rs.	Rs.
Balance on 1 January 2003		300
Receipts		
Cash sales	14,000	
Debtors	400	14,400
		<hr/>
		14,700
Payments		
Drawings	9,500	
Repairs	300	
Electricity	750	
Cash banked	4,100	14,650
Balance on 31 December 2003		<hr/>
		50



The following referred to 2003

Rs.

Bad debts written off	400
Discount received	350
Goods withdrawn by S. Siva for own use	300
Credit note issued	1,200

The following additional information is available.

	1 January 2003	31 December 2003
	Rs.	Rs.
Stocks	4,100	3,200
Machinery	12,600	15,900
Rent prepaid	200	
Rent owing		250
Debtors	6,300	5,000
Creditors	2,400	2,500
Loan from Bank at 8%	5,000	5,000
Loan interest owing		100

You are required to :

- Calculate the value of S. Siva's capital on 1 January 2003. (10 marks)
 - Prepare the Trading and Profit and Loss Accounts for the year ended 31 December 2003. (20 marks)
 - Prepare S. Siva's Balance Sheet as at 31 December 2003. (20 marks)
- (Total 50 marks)**

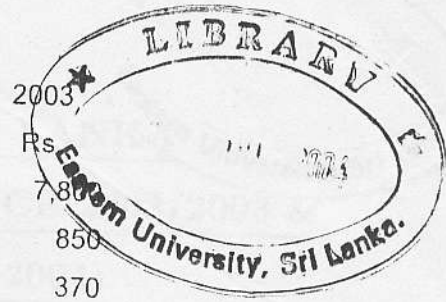
02. The following is a summary of the Receipts and Payments of the Rotary Club during the year ended 31 July 2003.

Rotary Club			
Receipts and Payments Account for the year ended 31 July 2003			
	Rs.		Rs.
Cash and bank balances b/d	2,100	Secretarial expenses	1,630
Sales of competition tickets	4,370	Rent	14,020
Members' subscriptions	19,870	Visiting speakers' expenses	12,750
Donations	1,770	Donations to charities	350
Balance c/d	5,130	Prizes for competitions	2,700
		Stationery and printing	1,790
	<u>33,240</u>		<u>33,240</u>

The following valuations are also available :

as at 31 July

	2002	2003
	Rs.	Rs.
Equipment (cost Rs. 14,200)	9,750	7,800
Subscriptions in arrears	650	850
Subscriptions in advance	100	370
Owing to suppliers of competition prizes	580	680
Stocks of competition prizes	380	460



Required :

a. Calculate the value of the accumulated fund of the Rotary Club as at 1 August 2002.

(10 marks)

b. Reconstruct the following accounts for the year ended 31 July 2003 :

(i) the subscriptions account

(05 marks)

(ii) the competitions prizes account.

(05 marks)

c. Prepare an Income and Expenditure account for the Rotary Club for the year ended 31 July 2003 and a balance sheet as at that date.

(30 marks)

(Total 50 marks)