



Department of Education, Sabaragamuwa/weekly school

week- July 1

Subject-Accounting

Grade-13

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Competency 11.0 – Uses Sri Lanka Accounting Standards for the preparation and presentation of financial statements.

Competency Level 11.8 – Disclosure and Accounting for events after reporting period.

1. Defines following

- Reporting period
- After the reporting period
- Events after the reporting period

2. Classification of events after the reporting period

3. Classifies adjusting and non adjusting events.

4. Provide examples for adjusting and non adjusting events

5. Select the adjusting events and make necessary adjustment

- An insurance company agrees to pay Rs. 10 000 for an insurance claim requested during the accounting period.
- Proposed dividends for ordinary share holders were Rs. 5 000

6. Accounting year of Perera Ltd ends on 11.03.2017. On 30.05.2017 directors authorized their financial statements. Following events were reported after 31.03.2017.

- Goods costing Rs. 350 000 as at 31.03.2017 has an net realizable value of Rs. 290 000 on the same day. This stock was sold on 25.04.2017 for Rs. 250 000.
- Somapala an employee filed a case against the company. On 15.04.2017. The court decided to pay Rs. 100 000 as compensation.
- A building costing Rs. 500 000 was destroyed by fire on 30.04.2017 loss is estimated as Rs. 150 000
- Government has takenover a land valued Rs. 1 500 000 on 07.05.2017

1. Classify adjusting and non adjusting events.

2. Disclosure requirement and the way of adjusting in financial statements.

State whether true / false

- Reporting period is the time period between starting and ending date. (.....)
- Proposed dividends for ordinary share holders should only be disclosed. (.....)
- Goods costing Rs. 100 000 at the end has been sold for Rs. 80 000 before authorization of financial statements. It increases the profit. (.....)

