



Department of Education, Sabaragamuwa/weekly school

week- November 4

Subject-Accounting

Grade-13

Prepared by -
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Competency 12.0 – Prepares Financial Statements for a Limited Company.

Competency Level 12.4.2- Prepare statement of Cash flows of a limited liability company accordance with the Sri Lanka Accounting Standards.

(1) Calculate profit before tax using the fact extracted from Dinidu PLC

| | |
|--|-------|
| Retained earnings Balance as at 01.04.2016 | 4 000 |
| Transactions occurred during 31.03.2017 | |
| Dividend payment for ordinary share holdres | 500 |
| Proposed dividend for ordinary share holdres | 400 |
| Collection from right issue | 2 000 |
| Capitalization of reserves | 1 000 |
| Transfers to general reserves | 1 500 |
| Income tax payments | 1 200 |
| Income tax expense for the year | 1 600 |
| Retained earnings as at 31.3.2017 | 5 400 |

(2) State the correct adjustment relating to items given below when calculating operating cash flows using indirect method according to LKAS-07.

| Item | Adjustment to be done | | |
|--|-----------------------|------|--------------------|
| | add | Less | Not to be adjusted |
| Deprecation of PPE | | | |
| Dividend income | | | |
| Proceeds from disposal of motor vehicle used for administration activities | | | |
| Interest expense | | | |
| Receipts from debtors | | | |
| Income tax paid | | | |
| Income tax expense | | | |
| Interest paid | | | |

