



Subject-Accounting

Grade-12

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Competency 2.0 – Presents transactions and events of a business through an accounting equation.

Competency Level 2.3 – Prepares Income statement and statement of Financial position using accounting equation.

Leaflet: The assets and liabilities of Dumindu's business as at 2017/01/01 is given below.

Assets	(Rs.)	Liabilities	(Rs.)
Land & buildings	7,000	Bank loan	2,500
Motor vehicle	2,000	Creditors	200
Inventory	600		
Debtors	300		
Cash	100		

A summary of the transactions that took place during the month of January is given below (Rs.'000's):

1. Sale of goods for Rs.500 for cash which cost Rs.300.
2. The depreciation for a month for the Motor vehicle is Rs.50.
3. Dumindu invests Rs.400 in the business.
4. Sale for Rs.600 of goods costing Rs.400.
5. Dumindu's drawings total Rs100.
6. Received Rs.10 for the sale of old newspapers.
7. The debtors paid Rs.450 in settlement of a debt of Rs.500. A discount of Rs.50 was given.
8. Paid creditors Rs.300 and received a discount of Rs.30.
9. Loan installment of Rs.280 was paid inclusive of Rs. 80 interest.
10. Paid staff salaries for a month Rs.80.

1. Record the above transactions in an equation as follows commencing with the opening balance.

'Land & buildings + Motor vehicle + Inventory + Debtors+ Cash = Bank loan + Creditors + Equity'

2. Calculate totals for each of the columns.
3. Calculate the difference between the opening balance (2017/01/01) and the closing balance (2017/01/31)

