



Department of Education, Sabaragamuwa/weekly school

week- January 3

Subject-Accounting

Grade-12

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Competency 5.0 – Uses accounting concepts by analyzing the basis of Financial accounting.

Competency Level 5.10 – Applies the prudence concept.

Event 01

In Thushara's business the debtors balance as on 2017/03/31 was Rs.50,000. A provision of 5% for doubtful debts must be made as on this date. Taking this information into consideration complete the table below:

Impact on debtors	Situation	Adjustment entry	Impact on account with the provision for doubtful debts	Impact on profit
	Making a provision for doubtful debts for the first time			
	If there was a balance of Rs.2,000 in the Provision for doubtful debts a/c on 2016/04/01			
	If the balance in the Provision for doubtful debts a/c on 2016/04/01 was Rs.3,200			
	If the balance in the Provision for doubtful debts a/c on 2016/04/01 was Rs2,500			
	In each of the above situations if there was bad debts of Rs.1,000			

