



Department of Education, Sabaragamuwa/weekly school

week- February 2

Subject-Accounting

Grade-12

Prepared by -
Zonal Education Office, Rathnapura.

Competency 6.0 – Prepares financial statement of a sole proprietorship business.

Competency Level 6.1 – Explains the importance of financial statements of a sole trader business.

Trial Balance of Sumudu's business as at 2017.03.31		
Account Name	Debit	Credit
	(Rs. 000s)	(Rs. 000s)
Sales		20,200
Sales returns	200	
Stock at 2016.04.01	1,500	
Purchases	8,000	
Transport inwards	400	
Loading and unloading charges	300	
Purchase returns		200
Discount received		100
Investment income		400
Advertising expenses	300	
Bad debts	100	
Discount allowed	200	
Staff salaries & wages	500	
Electricity	180	
Building depreciation	80	
Rates	40	
Donations of goods	50	
Loan interest	200	
Bank charges	150	
Land (at cost)	8,000	
Buildings (at cost)	4,000	
Accumulated depreciation - buildings(2017.03.31)		400
Investments	4,000	
Debtors	1,000	
Cash balance	1,800	

Creditors		700
Bank loan		2,000
Capital		7,000
	31,000	31,000

- There were no balance stocks as at 2017.03.31

Required:

1. Prepare the Income Statement of Sumudu's business for the year ending 2017.03.31.
2. Prepare the Statement of Financial Position of Sumudu's business as at 2017.03.31.