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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.

• You are given the following information about Amila's business as at 2017.03.31

	Rs.
Stock (2017.03.31)	150,000
Debtors	120,000
Sales	850,000

Goods costing Rs.60,000 has been invoiced to customers at Rs.75,000 for supplies on sale or return basis. It is understood that 60% of the goods, whose due date of return has not yet expired, has been sold as at 2017.03.31.

Under each of the following instances calculate the account balances.

- 1. Where only a nominal entry has been made for the supplies.
- 2. Where it has been recorded as credit sales when the items were first issued.

	Stock at 2017.03.31	Debtor value	Sales value
1.			
2.			

Assets & Liabilities of Namali Company as at 2017.03.31

Land & buildings	Rs. 1	,200,000	Bank loan	Rs. 200,000
Stock of goods	Rs.	800,000	Creditors	Rs. 100,000
Debtors	Rs.	150,000		
Cash balance	Rs.	50,000		

Calculate the Capital of Namali Co. as at 2017/03/31 using the above information.