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Department of Education, Sabaragamuwa F	-11 Dtment of Education, Saba	nent of Education,Sabaragamuwa aragamuwaProvince/Weekly Schoo kly School Department of Education	week- June 5	nent of amuwa Weekiv School
Education, Sabaragamuwa Province/ Weekly S Grade-13 ent of Educ gamuwa I	eekly School Depart chool Department of Education, Sal ation, Sabaragamuwa Province/Wee Province/Weekly School Depart	Prepared by - Zonal Education Office	e,Rathnapura.	tment of agamuwa y School tment of
/ Weekly S	chool Department of Education, Saba	aragamuwa Province/ Weekly School	Department of Education,	iabaragamuwa

Competency 11.0 – Uses Sri Lanka Accounting Standards for the preparation and presentation of financial statements.

Competency Level 11.7 – Understands Accounting for right to use of Lease property.

Amanda Plc Ltd purchased a machine on 01.04.2017 for finance lease. Following transactions are provided.

Fair value of the machine

- Rs. 1 541 992

Initial payment

- Rs. 400 000

- Rs. 400 000

- Rs. 400 000

- 4 years

Useful economic life

- 5 years

Residual value

- Rs. 41 992

Interest on lease

- Rs. 41 992

Title is transferred at the end of the lease period.

Following are the interest for each year.

Year	Interest on lease			
2017/2018	171 289			
2018/2019	136 994			
2019/2020	97 542			
2020/2021	52 174			
Total interest	457 999			

## Required

- Relevant journal entries and account for annual deprecation for the year ended 31.03.2018.
- Relevant ledger account and account for annual depreciation for the year ended 31.03.2018
- 3. Disclosures requirement in financial statement for the year ended 31.03.2018