



Department of Education, Sabaragamuwa/weekly school

week- October 2

Subject-Accounting

Grade-13

Prepared by -
Zonal Education Office, Rathnapura.

Competency 12.0 – Prepares Financial Statements for a Limited Company.

Competency Level 12.4.1 – Preparing of financial statement of Limited Liability Company by applying Sri Lanka Accounting Standards.

Trial balance extracted from chandi PLC as at 31.03.2017;

(Rs.'000)

Description	Dr	Cr
Sales	--	80 600
Cost of sales	52 000	--
Electricity, Rates and Insurance	150	--
Advertising and sales promotion expense	400	--
Carriage outward charges	100	--
Director remuneration	2 000	--
Salaries and wages	1 820	--
Interest payments	800	--
Trade receivable	3 050	--
Trade payable		1 700
Interim dividend	2000	--
Property, plant and equipment cost and accumulated depreciation as at 01.04.2016		
Land and buildings	30 000	2 500
Motor vehicle	44 000	7 800
Treasury bills (3 months)	3000	700
Cash Balance	3 270	--
Petty cash balance	600	--
Office equipment	400	--
Impairment losses on trade receivables	100	--
Allowance for expected losses on trade receivables 01.14.2016	--	200
Audit fee	400	--
General reserve	--	1 200
Lease creditor	--	4 000
Provision for Income tax as at 01.04.2016	--	150
Income tax payment	380	--

- (5) Payable amount of income tax for previous year was settled with in current year 1/10 of profit before tax was assessed as income tax for current year.
- (6) An ex-employee filed a case against the company requesting a compensation of Rs. 600. Company lawyers have informed that it have to be paid a compensation of Rs. 500.
- (7) Fixed deposit was stated on 01.10.2016 and bank informed interest for the period ended 31.03.2017 was added to the fixed deposit. But it was not yet adjusted.
- (8) Interest payment balance represents the loan interest paid within the year. Loan was obtained prior to 01.04.2016 .
- (9) A computer purchase on 01.10.2016 of Rs. 2000 was wrongly recorded as purchases. Useful life time of computers is 4 years. Computers to be listed as office equipment.
- (10) Board of directors made following decisions On 31.03.2017.
- Reserve capitalization using retained earnings at a ratio of 20 : 1.
 - Transfer Rs. 500 to general reserves.
 - Rs. 1 to be paid as dividend for ordinary shareholders.

Required

- (i) Statement of Profit or loss and other comprehensive income for the year ended 31.03.2017
- (ii) Statement of changes in equity for the year ended 31.03.2017
- (iii) Statement of financial position as at 31.03.2017
- Exercise for explaining subject matters.

