



Department of Education, Sabaragamuwa/weekly school

week- November 4

Subject-Accounting

Prepared by -
Zonal Education Office, Rathnapura.

Grade-13

Competency 12.0 – Prepares Financial Statements for a Limited Company.

Competency Level 12.4.2- Prepare statement of Cash flows of a limited liability company accordance with the Sri Lanka Accounting Standards.

(1) Calculate profit before tax using the fact extracted from Dinidu PLC

Retained earnings Balance as at 01.04.2016	4 000
Transactions occurred during 31.03.2017	
Dividend payment for ordinary share holdres	500
Proposed dividend for ordinary share holdres	400
Collection from right issue	2 000
Capitalization of reserves	1 000
Transfers to general reserves	1 500
Income tax payments	1 200
Income tax expense for the year	1 600
Retained earnings as at 31.3.2017	5 400

(2) State the correct adjustment relating to items given below when calculating operating cash flows using indirect method according to LKAS-07.

Item	Adjustment to be done		
	add	Less	Not to be adjusted
Deprecation of PPE			
Dividend income			
Proceeds from disposal of motor vehicle used for administration activities			
Interest expense			
Receipts from debtors			
Income tax paid			
Income tax expense			
Interest paid			

