

# Business and Accounting Studies

## Monthly Assessment - Grade 11

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Answer all questions. (Total 8 Questions)

2 Hours

- (1) The debit balance in the bank column of the cash book of Chamath Perera's business was Rs.5,600 as at the end of May 2012. Since the balance according to the statement sent by the bank at the end of the same month differed from the cash book balance. The following were discovered on inquiry.

- ☺ Cheques deposited but not realized Rs.3,500
- ☺ Cheques issued and not presented Rs.6,500
- ☺ Direct deposits to the bank by a debtor Rs.5,600
- ☺ Bank charges deducted by the bank Rs.1,500

You are required to prepare the revised cash book and the bank reconciliation statement for May 2012. (10 Marks)

- (2) Enter the following transactions in a Petty Cash Book and reimburse as at 30<sup>th</sup> June 2012.

- 6/1 Balance b / f Rs. 90  
Reimbursed the Imprest
- 6/2 Stamps Rs. 60
- 6/3 Postage Rs. 50, Stationery Rs. 150
- 6/5 Meals Rs. 100, Travelling Rs. 75
- 6/8 Meal Rs. 125, Stamps Rs. 45, Travelling Rs. 125
- 6/10 Paid Kamal Rs. 350, Travelling Rs. 150, Telephone charges Rs. 50
- 6/14 Stamps Rs. 50, Travelling Rs. 125, Meals Rs. 125,  
Photocopy Rs. 50
- 6/19 Purchased pencils for use in the office Rs. 150  
Paid Kamini Rs. 450
- 6/23 Meals Rs. 75, Travelling Rs. 60  
Purchased pencils for use in the office Rs. 50
- 6/25 Register post charges Rs. 40, Stamps Rs 70, Travelling Rs. 120  
Stamps Rs. 25
- 6/28 Meals Rs. 60, Travelling Rs. 50
- 6/30 Cash in hand Rs. 220  
Reimbursed the Imprest

(10 Marks)

(3) The trial balance extracted from Sudara Limited did not balance and the difference of Rs.220,000 was brought forward to the debit of the suspense account. On investigation the following were discovered.

- a. Rs.80,000 paid to a creditor has been credited to his account
- b. A balance of Rs.87,000 in the Equipment account has been brought forward as Rs.78,000
- c. Telephone bill of Rs.60,000 has been debited to the Water bill account as Rs.6,000
- d. Credit purchases of Rs.60,000 has been omitted from the purchase journal.
- e. Electricity paid amounting to Rs.3,000 has been included only in the electricity account.

You are required to prepare the journal entries to correct these errors and the same in the suspense a/c. **(10 Marks)**

(4) The Trial Balance of Ranabahu's business prepared as at 31.01.2010 did not balance. The difference of Rs.1,700 was transferred to the credit side of the Suspense Account.

Subsequently the following errors were discovered.

- i. Rs.35,000 spent on fixing new seats to a vehicle has been entered in the Motor Vehicle Repair account.
- ii. A credit sales invoice of Rs.6,000 has been completely omitted from the books.
- iii. The electricity bill of Rs.7,500 has been recorded in the Electricity account as Rs.5,700.
- iv. Credit purchases from Silva amounting to Rs.4,500 has been entered twice
- v. Discounts Received account balance of Rs.2,800 has been omitted from the Trial Balance
- vi. A debit note of Rs.2,200 has been entered only in the Creditors account
- vii. Insurance charges of Rs.1,500 has been correctly entered in the Cash Book and omitted from the Insurance account

You are required to prepare

- A) The Journal Entries to correct the above errors
- B) Suspense Account **(15 Marks)**

(5) Record the following transactions of Jayantha's business in the accounting equation.

1. Started the business with Rs. 150 000.
2. Bought office equipment from Maya Ltd for Rs. 100 000.
3. Bought goods for resale Rs. 70 000.
4. Paid salaries and wages Rs. 25 000.
5. Sold goods to Ramani Rs. 75 000.

**(10 Marks)**

(6) On 31<sup>st</sup> January 2013 the balance as per Bank column in the Cash Book of Sameera's business was Rs.22,480. However this differed from the balance as per Bank Statement for that month .The reason for this are as follows:

- The bank had charged Rs.780 as Debit Tax and Rs.400 as Cheque book charges. These were not recorded in the cash book.
- The following cheques deposited on 30<sup>th</sup> January were not realized at month end
  - Cheque received from Chathura for Rs.3,500
  - Cheque received from Rasika for Rs.750
- A debtor has deposited Rs.4,000 directly into the bank account while Rs.800 has been credited to the bank account as dividends.
- The bank has debited the account by Rs.1,350 on account of a standing order for the payment of an insurance premium.
- The cheque issued to a creditor on March 25<sup>th</sup> amounting to Rs.4,500 has not been presented to the bank

Using this information you are required to prepare

A). Adjusted Cash Book

B). Bank Reconciliation

(15 Marks)

(7) The Trial Balance of Appuhami & Sons Ltd as at 2012.12.31 did not balance and the difference was debited to a Suspense A/c. Subsequently the following errors were discovered.

- a. Discount Received amounting to Rs.550 has been debited to the Discount Given A/c
- b. A cheque for Rs.4,500 sent by a debtor, has been recorded on the wrong side of his account
- c. The Sales Journal has been under cast by Rs.1,500
- d. Rs.7,500 spent on Building Repair has been debited to the Land and Buildings A/c
- e. Purchases from Ananda amounts to Rs.4,500. This invoice has not been recorded in the books.

You are required to prepare the journal entries to correct these errors and find out the original difference in the Trial Balance. (10 Marks)

- (8). The opening balance of the Cash Book and transactions for the month of January 2031 of Sarah's businesses are given below:

Balance b/f	
Cash	Rs. 14,400
Bank	Rs.7,300 (credit balance)
Cash Sales	Rs. 18,300
Credit Sales	Rs. 8,330
Paid Electricity bill	Rs. 1,220
Cash Purchase	Rs.11,600
Credit Purchase	Rs. 7,200
Received a cheque for Rs.2,700 from Saman a debtor after deducting a discount of 10%	
The cheque received from Saman and another Rs.10,000 was Paid salaries Rs.8,000 by cheque	
Paid Ruwan a creditor, Rs.7,000 subject to a discount of 5%	
Sarah cashed a cheque for Rs. 1,000 for her personal use	
Paid the insurance premium of Rs.800 by cheque	
Obtained a bank loan of Rs.30,000 for use of the business and deposited Rs.20,000 of this into the Bank	

- Prepare the Cash Book of Sarah's business and find the balances in the Cash column and Bank column as at 31.01.2013.
- Post the Discounts Received and Discounts Given to the ledger accounts

(20 Marks)

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