



மாகாணக் கல்வித் திணைக்களம் வடக்கு மாகாணம்



Provincial Department Education, Northern Province

First Term Examination - 2024

Grade 12 (2025)

Accounting

**Time: 3 Hours &
10 Min.**

Instructions:

- Answer *all* the questions *on this question paper itself*.
- Write your **Index Number** clearly in the space provided above.
- Select the correct answers for the questions No. 1 – 15 and write its number on the dotted lines given.
- Write short answers for the questions No. 16 – 25 on the dotted lines given.
- Each question carries **four** marks.

Index Number:

For examiner's use only

Q.No.	Marks
1 – 15	
16 – 25	
TOTAL	

01. Accounting Entity means?

- (1) an economic entity separated from owner
- (2) any profit motive or not-for-profit institution
- (3) all institutions paying tax
- (4) state, private, co-operative institutions only
- (5) any organizations like an individual, business organization or state

(.....)

02. Select the correct order of financial accounting process.

A - Classification

B - Summarizing

C - Analyzing

D - Identification of information

E - Recording

(1) D, A, C, E, B

(2) D, B, A, C, E

(3) D, A, E, B, C

(4) D, E, A, B, C

(5) D, E, A, C, B

(.....)

03. Which of the following is an input of accounting?

(1) historical information

(2) estimated information

(3) transactions and events

(4) financial statements

(5) marginal costing information

(.....)

04. Which of the following forces are technical and professional environment?

A - Modern technology

B - Accounting standards

C - Accounting and professional institutions

C - Communication Technology

(1) A, C

(2) A, B

(3) B, C

(4) C, D

(5) A, B, C (.....)

05. Which of the following cannot be considered as an accounting output?

(1) Statement of Financial Position

(2) Statement of Changes in Equity

(3) Statement of Profit or Loss and Other Comprehensive Income

(4) Statement of Cash Flow

(5) Directors Report

(.....)

06. Which of the following is a correct accounting equation?

A - Net assets = Equity

B - Assets + Income = Equity + Liability + Expenses

C - Assets + Expenses = Equity + Liability + Income

D - Net assets = Total assets – Non-current liability – Current liability

(1) B, C (2) B, C, D (3) A, C, D (4) A, B, C (5) A, B, C, D (.....)

07. A business purchased goods for Rs. 600 000 in invoice price with 5% trade discount and sold all those goods by cash for Rs. 650 000. Creditors have not been paid yet. The net impact of these transactions in the accounting equation is,

Assets	Liability	Equity
(1) Increase by Rs. 50 000	-	Increase by Rs. 50 000
(2) Increase by Rs. 80 000	-	Increase by Rs. 80 000
(3) Increase by Rs. 80 000	Decrease by Rs. 570 000	Increase by Rs. 650 000
(4) Increase by Rs. 650 000	Increase by Rs. 570 000	Increase by Rs. 80 000
(5) Increase by Rs. 650 000	Increase by Rs. 600 000	Increase by Rs. 50 000

(.....)

● Use the following information to answer the questions 8 and 9.

A business was started with capital investment Rs. 100 000 on 01.01.2024. This business was registered for VAT. All purchases and sales include VAT. The following transactions were carried out during the month ended 31.01.2024.

- Goods were purchased for Rs. 540 000 on credit basis (including VAT Rs. 90 000)
- All these goods were sold for Rs. 648 000 on credit basis (including VAT Rs. 72 000)
- Rs. 500 000 was collected from debtors.
- Cash was settled to a creditor to settle Rs. 360 000 with discount Rs. 20 000.

08. The gross profit from the purchase and sales for the month ended 31.01.2024 and cash balance as at 31.01.2024 are,

Gross profit (Rs. '000')	Cash account balance (Rs. '000')
(1) 100	160
(2) 100	240
(3) 100	260
(4) 108	160
(5) 108	260

(.....)

09. Total liabilities and equity of the business as at 31.01.2024 are,

Total liabilities (Rs. '000')	Equity (Rs. '000')
(1) 180	120
(2) 180	220
(3) 188	220
(4) 188	228
(5) 200	228

(.....)

● Use the following information to answer the questions 10 - 12.

Dharmini started a stationery business on 01.01.2024. She recruited her friend Dharshini as an employee. The following transactions were undertaken by her during January 2024.

Number	Transactions	Value (Rs. '000')
1	Capital invested by owner	300
2	Purchase of goods by cash	200
3	Purchase of goods on credit basis	550
4	Return outwards	50
5	Sales on credit basis (including VAT Rs. 64 000)	864
6	Employee salary	40

The cost value of the stationery sold during this month is Rs. 500 000. Electricity payable on 31.01.2024 is Rs. 30 000. Assume no VAT on expenses.

10. The order of source documents for the transactions 2, 3, 4 and 5 are,

- (1) invoice, goods receipt note, debit note, invoice (2) invoice, goods receipt note, credit note, invoice
 (3) payment voucher, invoice, debit note, invoice (4) payment voucher, invoice, credit note, invoice
 (5) payment voucher, invoice, credit note, journal voucher (.....)

11. Accounting equation which shows net impacts of the transactions 1, 2, 3 and 4.

Assets (Rs. '000')	Liabilities (Rs. '000')	Equity (Rs. '000')
(1) + 800	+ 550	+ 250
(2) + 800	+ 500	+ 300
(3) + 850	+ 550	+ 300
(4) + 1 000	+ 700	+ 300
(5) + 1 000	+ 750	+ 250

(.....)

12. The correct journal entry to record the transaction number 5 is.

	Debit Rs. '000'	Credit Rs. '000'
(1) Debtor control account	800	
Sales account		800
(2) Debtor control account	864	
Sales account		864
(3) Debtor control account	800	
VAT account	64	
Sales account		684
(4) Debtor control account	864	
Sales account		800
VAT account		64
(5) Debtor control account	864	
VAT expense account	64	
Sales account		800
VAT control account		64

(.....)

13. Which of the following is recorded in purchase journal?

- (1) All purchases of assets on credit basis
- (2) All purchases for re-sale
- (3) All purchases for credit sales
- (4) Property, plant and equipment purchased on credit basis
- (5) All purchases on credit basis for resale

(.....)

● Use the following information to answer the questions 14 – 15.

A business carries out all its transactions through bank current account.

The details of bank statement for March 2024:

	Rs. '000'
The balances on 01.03.2024	100
Realized cheques	1 000
Presented cheques	750
Investment income	200
Cheque book charge	50

The summary cash control account for March 2024

	Rs. '000'
Balance on 01.03.2024	100
Total of cash receipt journal on 31.03.2024	1 200
Total of cash payment journal on 31.03.2024	900

Investment income and bank charges are recorded after receiving bank statement. There is no any unpresented cheque and unrealized cheque on 01.03.2024.

14. Which the following are correct in accordance with cash transactions for March 2024.

- A - Total of cash receipts for March 2024 is Rs. 1400 000.
- B - Total of cash payments for March 2024 is Rs. 950 000.
- C - Unrealized cheque on 31.03.2024 is Rs. 200 000.
- D - Unpresented cheque on 31.03.2024 is Rs. 150 000.

- (1) A, B (2) A, C (3) B, D (4) C, D (5) A, B, C, D (.....)

15. Adjusted cash control account balance is,

- (1) Rs. 300 000 (2) Rs. 350 000 (3) Rs. 400 000 (4) Rs. 500 000 (5) Rs. 550 000 (.....)

● Write short answers for the questions 16 – 25 in the dotted lines given.

16. State whether the following statements are true or false in relation to management accounting information.

- A - It provides monetary and non-monetary information of the business. (.....)
- B - It provides future information of the business. (.....)
- C - It provides financial statements in according to accounting standards. (.....)
- D - It generates information on requirement of managers. (.....)

17. Write the relevant stakeholders who are interested on a business based on the reasons given below.

- 1. Managers 2. Creditors
- 3. Government 4. Investors

- (A) Earnings adequate for the capital investment
- (B) Increase in total tax income
- (C) Implementation of plans
- (D) Ability of a business to settle loans

18. Mark '✓', if the following transactions generate 'increase' in equity and mark '×', if don't.

Transactions	Increase in equity
A - Goods costing Rs. 40 000 were sold for Rs. 65 000 on credit basis.
B - Settlement to a creditor Rs. 15 000 by owner from his own fund.
C - Investment of own furniture at value Rs. 150 000 by owner in the business.
D - A discount Rs. 2 500 is allowed on cash receipt from a debtor.

19. State double entry for the following. (narration not required)

- (a) The cheque Rs. 75 000 deposited at bank after receiving from a debtor with a discount Rs. 5 000 was returned by bank.

.....

- (b) Bank loan installment paid by bank on standing order Rs. 80 000 including interest Rs. 15 000.

.....

20. Write the relevant classification of account for the following accounts.

Account	Classification
A - Drawing
B - Accrued rent
C - Discount received
D - VAT account (credit balance)

21. The following details are taken from the books of a business.

	As at 31.03.2024 (Rs. '000')	As at 31.03.2023 (Rs. '000')
Assets	1 900	1 400
Liabilities	1 100	900

Owner additionally invested his own motor vehicle at value Rs. 100 000 during the year ended 31.03.2024 and he used his own fund Rs. 20 000 to settle business liabilities. He paid monthly insurance premium of his daughter Rs. 7 500 from business fund. There is no any drawing in the business.

Calculate the following for the year ended 31.03.2024.

- (a) Profit: Rs. (b) Retained earnings: Rs.

22. Cash balance of a business on 31.03.2024 was Rs. 45 000. This balance was not equal to bank statement balance. The following are the reasons for this difference.

- Dividend directly credited by bank Rs.80 000
- Cheque received from a debtor and returned by bank Rs. 60 000
- Unrealized cheque Rs. 20 000
- Bank overdraft interest Rs. 40 000
- Unpresented cheque Rs. 30 000

Calculate the following on 31.03.2024.

- (a) Adjusted cash account balance: Rs.
 (b) Bank statement balance: Rs.

23. Petty cash expenses for March 2024 were Rs. 26 000. The petty cash balance on 31.03.2024 was Rs. 9 000.

(a) What is the value of petty cash imprest amount?

.....

(b) Write the journal entry for petty cash reimbursement. (narration not required)

.....

.....

24. A business started its activities on 01.04.2023. The following details are related to April 2023.

Totals of prime books	Rs. '000'
Purchase journal	200
Purchase return journal	10
Sales return journal	20
Sales journal	220

Additional information:

	Rs. '000'	
Cost of sales	110	
Operating expenses	60	(excluding discounts)
Trade discount received	20	
Cash discount received	5	
Cash discount allowed	10	
Trade discount allowed	8	

(a) What is total income for April 2023? Rs.

(b) What is total expenses for April 2023? Rs.

25. Debtor control account of a business on 31.03.2023 is Rs. 560 000. The debtor list balance on this date was not tally to this debtor control account balance. The successive investigations revealed the following.

- Discount allowed recorded in debtor ledger Rs. 20 000 has not been recorded in debtor control account.
- A sales invoice Rs. 42 000 was recorded in sales journal as Rs. 24 000. However, it has been correctly recorded in debtor ledger.

(a) Calculate the total of debtor ledger account balances before rectifying errors.

.....

(b) Calculate adjusted debtor control account balance after rectifying errors.

.....

(4 × 25 = 100 marks)

Part II

Instructions:

- Answer **four** questions including question no. **01**.

01. The balances of Seeman business on 01.01.2024 are as follows. This business is a registered business for VAT.

	Rs.
Debtor control account	45 000
Creditor control account balance	63 000
Furniture (cost)	170 000
Cash control account balance	75 000
Bank loan	60 000
VAT payable account	7 000
Capaital	?

The balances of debtor ledger balances:

Gunalan	Rs. 20 000
Chelvi	Rs. 15 000
Sutha	Rs. 10 000
	<u>Rs. 45 000</u>

The balances of creditor ledger balances:

Mathavi	Rs. 23 000
Sivaram	Rs. 30 000
Pasupathi	Rs. 10 000
	<u>Rs. 63 000</u>

The details of purchase invoice for January 2024:

02.01.2024	Invoice No. 155	Mathavi	Rs. 13 800 (including VAT Rs. 1 800)
06.01.2024	Invoice No. 175	Sivaram	Rs. 23 000 (including VAT Rs. 3 000)
15.01.2024	Invoice No. 255	Pasupathi	Rs. 34 500 (including VAT Rs. 4 500)
23.01.2024	Invoice No. 265	Kumaran	Rs. 25 300 (inlcuding VAT Rs. 1 300)

The details of sales invoice for January 2024:

04.01.2024	Invoice No. 101	Gunalan	Rs. 36 800 (including VAT Rs. 3 800)
10.01.2024	Invoice No. 102	Chelvi	Rs. 46 000 (including VAT Rs. 3 000)
16.01.2024	Invoice No. 103	Sutha	Rs. 20 700 (including VAT Rs. 2 700)
26.01.2024	Invoice No. 104	Aruna	Rs. 43 700 (including VAT Rs. 3 700)

The details of receipts for January 2024:

05.01.2024	Receipt No. 66	Commission recceived Rs. 20 000
05.01.2024	Receipt No. 67	Cash received from Gunalan Rs. 18 000, discount allowed Rs. 2 000
10.01.2024	Receipt No. 68	Adidtinal capital invested by owner Rs. 50 000
22.01.2024	Receipt No. 69	Cash received from Chelvi Rs. 30 000, discount allowed Rs. 3 000
24.01.2024	Receipt No. 70	Cash received from Aruna Rs. 9 000, discount allowed Rs. 1 000
26.01.2024	Receipt No. 71	Sales by cash Rs. 20 000

The details of payments for January 2024:

03.01.2024	Voucher No. 150	Furniture purchase Rs. 30 000
10.01.2024	Voucher No. 151	Rent paid Rs. 15 000

16.01.2024	Voucher No. 152	Paid to Mathavi Rs. 6 000, discount received Rs. 500
18.01.2024	Voucher No. 153	Paid Sivaram Rs. 11 000, discount Rs. 1 000
24.01.2024	Voucher No. 154	Paid to Pasupathi Rs. 23 000, discount received Rs. 2 500
30.01.2024	Voucher No. 155	Paid VAT Rs. 6 000
31.01.2024	Voucher No. 156	Purchase of goods by cash Rs. 13 000

Required,

1. Prime entry books
2. Control accounts in general ledger, other ledger accounts and trial balance (40 marks)

02. The following balances were taken from the books of Kaviya business on 01.01.2024.

Assets	Rs. '000'
Property, plant and equipment	1 600
Inventory	200
Trade receivable	350
Cash	180
Capital	1 800
Retained earnings	250
Bank loan	150
Trade payable	130

The following transactions were carried out during January 2024.

- (i) 03.01.2024 Goods were purchased for Rs. 150 000 on credit basis.
- (ii) 05.01.2024 Goods costing Rs. 80 000 were sold by adding 25% profit on credit basis.
- (iii) 07.01.2024 Cash Rs. 25 000 was paid to a creditor to settle Rs. 30 000.
- (iv) 09.01.2024 Salary paid Rs. 36 000
- (v) 10.01.2024 Out goods sold on 05.01.2024, the goods at sales value Rs. 25 000 were returned by the customer.
- (vi) 12.01.2024 Rs. 200 000 was invested by owner as additional capital.
- (vii) 14.01.2024 A cheque Rs. 25 000 was issued for a personal expense of owner.
- (viii) 16.01.2024 Bank loan installment Rs. 50 000 was paid (including interest Rs. 5 000)
- (ix) 18.01.2024 Goods costing Rs. 45 000 were sold for Rs. 40 000 by cash.
- (x) 20.01.2024 Rent income received Rs. 18 000
- (xi) 21.01.2024 Rs. 20 000 was written off as bad debt from debtors.
- (xii) 23.01.2024 Goods costing Rs. 60 000 were sold for Rs. 100 000 on credit basis.
- (xiii) 24.01.2024 Furniture was purchased for Rs. 200 000 from a bank loan.
- (xiv) 27.01.2024 Depreciation of property, plant and equipment for this period is Rs. 32 000.
- (xv) 30.01.2024 Bank charge and cheque book charge for this period is Rs. 15 000.

Required,

1. Write the impact of the above transactions in the following table.

No.	PPE	Inventory	Trade receivable	Cash	Capital	Retained earnings	Bank loan	Trade payable

2. Calculate profit or loss for January 2024 on net assets basis. (20 marks)

03. The following cheques were not presented in the bank reconciliation statement of Jathushan business for November 2023.

Cheque no. 15610 Rs. 12 300

Cheque no. 15621 Rs. 8 500

Bank statement for December 2023 is given below.

Date	Details	Debit	Credit	Balance
01.12.2023	Balance			26 700
02.12.2023	Direct deposit		15 000	41 700
03.12.2023	Deposit cheque no. 431160		6 500	48 200
04.12.2023	Cheque no. 15610	12 300		35 900
08.12.2023	Dividend		3 000	38 900
10.12.2023	Deposit cheque no. 386410		11 000	49 900
12.12.2023	Standing order insurance	2 500		47 400
16.12.2023	Cheque no 15625	12 000		35 400
20.12.2023	Cash deposit		10 000	45 400
21.12.2024	Cheque no. 15626	6 400		39 000
22.12.2024	Deposit cheque no. 28630		16 000	55 000
26.12.2024	Cheque no. 15627	5 000		50 000
28.12.2024	Fixed deposit interest		7 000	57 000
30.12.2024	Deposit cheque no. 38310		12 000	69 000
31.12.2024	Cheque returned no. 38310	12 000		57 000

Additional information:

- Cheque deposit** **Rs.** **Cheque paymnets** **Rs.**

03.12.2023	Cheque no. 431160	6 500	14.12.2024	Salary Cheque no. 15625	12 000
09.12.2023	Cheque no. 386410	11 000	20.12.2024	Electricity 15626	6 400
20.12.2023	Cheque no. 28630	16 000	26.12.2024	Vinotha 15627	5 000
30.12.2023	Cheque no. 38310	12 000	30.12.2024	Seeralan 15628	11 500
31.12.2024	Cheque no. 24560	6 200			
- The cheque issued toVinotha was recorded in cash payment journal as Rs. 500.
- Debit side of cash account was overstated by Rs. 1 000.

Required,

- Cash account for December 2023 before rectifying errors (summary)
- Adjusted cash account
- Bank reconciliation statement for December 2023 (20 marks)

04. (a) The following transactions were undertaken by Valampuri business during January 2024.

Debtors	Balance on 01.01.2024	Credit sales	VAT (10%)	Cash received	Discount allowed	Bad debt
Shalini	50 000	30 000	3 000	60 000	150	-
Sangavi	20 000	10 000	1 000	24 000	300	All receivable
Sampavi	16 000	16 000	1 600	15 000	600	-
Shamini	14 400	20 000	2 000	13 000	280	400

This business is a registered business for VAT and maintains subsidiary ledgers and general ledger.

Required,

1. Sales journal (including VAT)
2. Personal accounts in debtor ledger and list balance
3. Relevant accounts in general ledger (including control accounts) (10 marks)

(b) The petty cash balance of Shanthiya business on 2024.01.01 is Rs. 2 000. The following transactions were carried out during January 2024.

	Petty cash V.No.	Rs.
01.01.2024	Reimbursement	18 000
05.01.2024	Loading charge 01	1 000
08.01.2024	Three wheeler fare 02	800
10.01.2024	Cleaing charge 03	1 100
14.01.2024	Unloading charge 04	900
16.01.2024	Owner's drawing 05	2 000
18.01.2024	Taxi charg e 06	1 500
20.01.2024	Cleaning charge 07	1 200
22.01.2024	Paid to Malathi 08	2 500
23.01.2024	Train ticket 09	1 200
25.01.2024	Loading charge 10	800

Required,

1. Petty Cash Payment Journal with analysis columns such as loading and unloading charge, cleaning, travelling and other payments.
2. Petty cash account and other ledger accounts. (in general ledger) (10 marks)

(Total 20 marks)

05. (a) The following details are related to 'Isainila' business for January 2024.

1. The balances in general ledger in January 2024

	Rs.
Motor vehicle	65 000
Inventory	30 000
Trade recceivable	42 000
Trade payable	33 000
Cash control account	23 000
Bank loan	60 000
Capital	67 000

2. A motor vehicle was purchased for Rs. 125 000 on 05.01.2024 on credit basis from Rathna business.
3. Rs. 10 000 receivable from ThamilaLaki on 31.01.2024 was written off as bad debt.

Required,

Reccord the above in a general journal (narration required) (05 marks)

(b) The trial balance of Sharmi business was not equal. The difference was carried to a suspense account.

Details	Debit	Credit
Delivery van	370 000	
Debtor control account	63 000	
Creditor control account		84 000
Suspense account	11 000	
Cash balance	53 000	
Salary	32 000	
Bank loan		150 000
Purchase	145 000	
Sales		240 000
Capital		200 000
	674 000	674 000

The following errors were found later.

1. The total of one page of sales journal Rs. 45 000 was missed from recording in the accounting books.
2. Delivery van repair expense Rs. 70 000 was debited in delivery van account.
3. The total of discount column in cash payment journal Rs. 15 000 was not recorded in general ledger.
4. Bank loan repayment Rs. 20 000 was recorded in cash payment journal and cash control account but not recorded in bank loan account.
5. Salary paid Rs. 23 000 was recorded in salary account as Rs. 32 000.

Required,

1. Journal entries to rectify the errors
2. Suspense account
3. Correct trial balance after rectifying errors (15 marks)

(Total 20 marks)
