

**Ques.01:-**

Following Trial Balance was extracted from the books of Hashan's business as at 31.03.2019.

	<b>Dr:(Rs.000)</b>	<b>Cr:(Rs.000)</b>
Inventory (01.04.2018).....	200	
Sales (15% VAT inclusively).....		1380
Purchases(15% VAT inclusively).....	460	
Rates and Insurance.....	65	
Electricity.....	38	
Investment(20%).....	700	
Bank Loan (10%).....		240
Investment income.....		100
<b>Property, Plant and Equipment (At cost)</b>		
-Lands.....	1000	
-Buildings.....	700	
-Equipment.....	200	
-Motor vans.....	500	
<b>Accumulated depreciation (01.04.2018)</b>		
-Buildings.....		140
-Equipment.....		40
Trade receivables (Debtors).....	95	
Bad debts.....	5	
Provision for doubtful debts (01.04.2018).....		12
Commissions for salesmen.....	35	
Salaries.....	200	
EPF payables.....		20
EPF paid.....	20	
Interest paid.....	25	
Cash discounts.....	3	18
Cash balance.....	224	
Equity as on 01.04.2018.....		2520
	<u>4470</u>	<u>4470</u>

**Additional information :-**

- i. The cost of the Inventory as at 31 .03.2019. is Rs.200000 and the Net Realizable Value of that stock is Rs.150000
- ii. The Insurance policy has been obtained on 01.10.2018. and the monthly premium is Rs.5000 . Rates per month is Rs.3000 and rates for the current year has been paid only up to January 2019.
- iii. Rs.5000 should be further written off from Debtors and a provision of 10% should be made on remaining debtors for doubtful debts.

- iv .Accrued electricity as at 31.03.2019 is Rs.2000
- v. Buildings and equipment should be depreciated under straight line method at 10% per annum. Motor van was acquired on 01.10.2018. and the residual value was estimated as Rs.50000 whilst the useful life line was estimated as 9 years, at the beginning.
- vi. Employment Provident Fund (EPF) contribution of employee is 10% and it is 15% of the employer. The ETF contribution is 3%. Adjustments have not been made for the EPF and the ETF contributions of the business.
- vii. Bank loan has been obtained on 01.04.2018. and Rs.60000 must be settled annually from this loan equally. This amount for the current year has been duly paid excepting the interest.

**Required:-**

- 1.Income statement for the year ended 31.03.2019
- 2.Statement of Financial Position as on 31.03.2019