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University of Ruhuna- Faculty of Technology

**Bachelor of Engineering Technology/ Bachelor of Information & Communication
Technology/ Bachelor of Bio-systems Technology**

Level II (Semester II) Examination, November/December 2025

Academic year 2023/2024

Course Unit: TCS 2212 Accounting for Technologists (Written) Duration: 2 hours

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Instructions to candidates (Please read carefully)

- 1) The question paper contains **five (05)** questions.
- 2) **Part A is compulsory**. Answer only **three (03)** questions from Part B.
- 3) Answers should be in English, in the booklets provided.
- 4) Total marks: 100.
- 5) Number of pages: Six (06).
- 6) Calculators are allowed.

Part A

01. The following trial balance has been extracted from the books of Kamal Traders, a sole proprietorship, as at 31st March 2025.

Kamal Traders
Trial Balance as at 31st March 2025

| | Dr. (Rs.) | Cr. (Rs.) |
|--|---------------------|---------------------|
| Land & Building | 900,000.00 | |
| Machinery | 200,000.00 | |
| Office Equipment | 300,000.00 | |
| Delivery Vehicle | 500,000.00 | |
| Provision for depreciation for Machinery as at 01.04.2024 | | 40,000.00 |
| Provision for depreciation for the Delivery Vehicle as at 01.04.2024 | | 150,000.00 |
| Provision for depreciation for Office Equipment as at 01.04.2024 | | 100,000.00 |
| Fixed deposit | 200,000.00 | |
| Trade Debtors | 175,000.00 | |
| Trade Creditors | | 85,000.00 |
| Salaries and Wages | 110,000.00 | |
| Electricity Expenses | 40,000.00 | |
| Discount Allowed | 20,000.00 | |
| Discount Received | | 32,000.00 |
| Other Income | | 360,000.00 |
| Sales | | 925,000.00 |
| Purchases | 330,000.00 | |
| Stock as at 01.04.2024 | 50,000.00 | |
| Sales return | 25,000.00 | |
| Purchase return | | 15,000.00 |
| Sales Commission | 28,000.00 | |
| Carriage Inwards | 10,000.00 | |
| Bank charges | 8,000.00 | |
| Cash | 75,000.00 | |
| Bank loan 10% | | 400,000.00 |
| Capital | | 900,000.00 |
| Rent expenses | 26,000.00 | |
| Insurance | 18,000.00 | |
| Bank overdraft | | 65,000.00 |
| Bills payable | | 14,000.00 |
| Other prepayments | 71,000.00 | |
| | 3,086,000.00 | 3,086,000.00 |

You are provided with the following additional information.

- i. Inventory as at 31/03/2025 has been valued at Rs.40,000.
- ii. Fixed assets are to be depreciated for the year ended 31st March 2025 using straight-line basis as follows.
Machinery 5%
Delivery Vehicle 10%
Equipment 2%
- iii. The monthly wages and Salaries expense is Rs. 10,000.
- iv. The Bank loan interest is 10% per annum.

You are required to prepare:

- a) Income Statement (Trading, Profit and Loss Statement) for the year ended 31.03.2025.
- b) Statement of financial position (Balance sheet) as at 31.03.2025.

(Total marks -40 marks)

PART B

02. Write appropriate answers to the following questions.

- a) Name **two (02)** internal and **two (02)** external users of accounting information in a business.
- b) Briefly explain the following concepts using an example.
 - i. Money Measurement concept
 - ii. Accounting period concept
- c) List **two (02)** purposes of preparing a Trial Balance.
- d) Describe **two (02)** types of cash discounts used in accounting.
- e) Identify the primary books to be recorded for each of the following transactions and the relevant source documents to be used.
 - i. Credit purchase of goods from Nimal Industries Rs. 40,000.
 - ii. Insurance to be paid at the end of the year Rs.5,000.

(Total marks – 20 marks)

03. Smart Tech Traders made the following transactions during the month of November 2025.

| Date (2025) | Invoice No. | Customer | Description |
|-------------|-------------|----------------------|---|
| Nov 3 | S-145 | Galaxy Distributors | 15 Bluetooth Speakers @ Rs. 4,500 each |
| | | | 20 Wireless Keyboards @ Rs. 3,000 each |
| Nov 12 | S-146 | Nova Electronics | 10 Smart Watches @ Rs. 12,000 each |
| | | | 8 Portable Projectors @ Rs. 25,000 each |
| Nov 25 | S-147 | Modern Tech Supplies | 5 Pen drives @ 5,000 each |
| | | | 10 external hard disks @ 20,000 each |
| | | | 6 FM microphones @ 7,000 each |

Additional Information

- On 18 November, 2025, Galaxy Distributors returned 3 Bluetooth Speakers due to minor defects. (Credit Note No. CN-201)
- On 22 November, 2025, Nova Electronics returned 2 Smart Watches as they were damaged during delivery. (Credit Note No. CN-202)

a) Prepare the relevant primary books of entry for Smart Tech Traders for the month of November 2025, using the information provided above.

- Sales Journal
- Sales Return Journal

(Total marks – 20 marks)

04. (a) Record the following transactions of Sandagiri Industries to the General Journal.

- i. 02.01.2025: Purchase Rs. 2,000,000 worth of a motor vehicle from Ishara Traders.
- ii. 12.02.2025: Goods drawings Rs. 10,000 by the owner.
- iii. 15.02.2025: Cash purchase of Rs. 14,000 has been recorded as a credit purchase.
- iv. 08.03.2025: Decided to write off the bad debt of Rs. 4,000
- v. 31.03.2024: Balance of the electricity expense account Rs. 3,000 transferred to profit and loss account.

(10 marks)

(b) The following information was extracted from Omega Products Ltd.

| | |
|----------------|----------------|
| Selling Price | - Rs. 200 |
| Variable Cost | - Rs. 150 |
| Fixed Cost | - Rs.100,000 |
| Budgeted Sales | - 10,000 units |

Using the above data, calculate the following:

- i. Contribution per unit
- ii. Breakeven in units
- iii. Contribution margin ratio
- iv. Breakeven in volume
- v. Margin of safety

(10 marks)

(Total marks – 20 marks)

05. (a) The following are extracts from the financial statements of BrightWave Enterprises Pvt. Ltd. for the year ended 31 December 2024:

| Item | 2024 (Rs. Millions) |
|------------------|---------------------|
| Revenue | 18,500 |
| Cost of Sales | 14,800 |
| Gross Profit | 3,700 |
| Operating Profit | 1,400 |
| Finance Costs | 250 |

Calculate the following profitability ratios for BrightWave Enterprises Pvt. Ltd. and provide necessary interpretations:

- i. Gross Profit Margin
- ii. Operating Profit Margin

(10 marks)

b) Orit International Company Ltd. is considering investing in a new project that requires an initial investment of Rs. 200,000. The project is expected to generate the following net cash inflows:

| Year | Cash Inflow (Rs.) |
|------|-------------------|
| 1 | 60,000 |
| 2 | 70,000 |
| 3 | 80,000 |
| 4 | 90,000 |

The company's cost of capital is 10%.

You are required to calculate:

- i. Calculate the Payback Period.
- ii. Calculate the Net Present Value (NPV) of the project.
- iii. Calculate the Profitability Index (PI).
- iv. State whether the project should be accepted or rejected, and explain your reason.

(10 marks)

(Total marks – 20 marks)

.....End of the Paper.....