
CERTIFIED PUBLIC ACCOUNTANT
INTERMEDIATE LEVEL EXAMINATIONS
F1.3: FINANCIAL ACCOUNTING
MARKING GUIDE AND MODEL ANSWERS
DATE: TUESDAY 26, AUGUST 2025

MODEL ANSWERS

QUESTION ONE

MARKING GUIDE

QN	Description	Marks
a) i	Ledger A/C	
	Capital A/C Award 0.5 mark for every entry (0.5*2)	1
	RENT A./C Award 0.5 mark for every entry (0.5*1)	0.5
	Purchases a/c Award 0.5 mark for every entry (0.5*2)	1
	Receivables A./C Award 0.5 mark for every entry (0.5*1)	0.5
	BANK A/C Award 0.5 mark for every entry (0.5*6)	3
	Sales A/C Award 0.5 mark for every correct entry (0.5*4)	2
	PAYABLES A/C Award 0.5 mark for every entry (0.5*2)	1
	MOTOR VIHICLE A/C Award 0.5 mark for every entry (0.5*2)	1
	Maximum marks awarded for part a) i	10
ii	Trial balance	
b) i	Income statement	
	Revenue	0.5
	cost of sales wk2	1
	Gross profit	0.5
	Depreciation WK1	2
	wages and salaries	1
	Marketing costs	0.5
	Allowance for receivables increase WK4	1
	other operating expenses	0.5
	Profit before interest and tax	0.5
	interest expense(12%*120000)	0.5
	profit before tax	0
	income tax	0.5
	profit after tax	0
	Revaluation	1
	Total comprehensive income	0.5
	Maximum marks awarded for part b i	10
b) ii	Statement of financial position	
	land	0.5
	buildings	1

	computers	1
	Cash at bank	0.5
	inventory	0.5
	Prepaid expenses	0.5
	receivables	1
	Ordinary share	0.5
	Share premium	0.5
	Retained profit	1
	revaluation	0.5
	Longterm loan	1
	Trade payables	0.5
	Interest payable	0.5
	Income tax	0.5
	Maximum marks awarded for part b ii	10
		40
	Total marks	

i. Relevant ledgers account for the period of three months ended 31 December 2024

Capital

Date	Particulars	Dr (FRW)	Cr (FRW)
01-Oct	Bank (capital introduced)		50,000,000
01-Oct	Motor Vehicle (asset introduced)		16,000,000
	Balance c/d	66,000,000	

Bank

Date	Particulars	Dr (FRW)	Cr (FRW)
01-Oct	Capital	50,000,000	
02-Oct	Rent (annual)		1,872,000
05-Oct	Inventory (imports)		24,000,000
05-Nov	Sales (Muhire—cash)	8,000,000	
05-Nov	Munini Ltd (deposit on credit sale)	3,000,000	
02-Dec	African Bags Ltd (part payment)		800,000
05-Dec	Sales (clothes)	12,000,000	
05-Dec	Sales (local bags)	800,000	
28-Dec	Sales (cash)	2,400,000	
	Balance c/d		49,528,000
	Total	76,200,000	76,200,000

Moto Vehicle

Date	Particulars	Dr (FRW)	Cr (FRW)
-------------	--------------------	-----------------	-----------------

01-Oct	Capital (car brought in)	16,000,000	
	Balance c/d		16,000,000

Prepaid Rent

Date	Particulars	Dr (FRW)	Cr (FRW)
02-Oct	Bank (annual rent paid)	1,872,000	
	Rent Expense		468,000
	Balance c/f		1,404,000

Rent expense

Date	Particulars	Dr (FRW)	Cr (FRW)
	Rent Expense	468,000	
	Balance c/f		468,000

Inventory

Date	Particulars	Dr (FRW)	Cr (FRW)
05-Oct	Bank (imports)	24,000,000	
15-Nov	African Bags Ltd (local bags on credit)	1,200,000	
	Balance c/d		25,200,000

Sales

Date	Particulars	Dr (FRW)	Cr (FRW)
05-Nov	Bank (Muhire cash)		8,000,000
05-Nov	Munini Ltd (credit sale)		4,000,000
05-Dec	Bank (clothes)		12,000,000
05-Dec	Bank (local bags)		800,000
28-Dec	Bank (cash sale)		2,400,000
	Balance c/d	27,200,000	

Accounts receivable

Date	Particulars	Dr (FRW)	Cr (FRW)
05-Nov	Sales (credit sale)	4,000,000	
05-Nov	Bank (75% deposit received)		3,000,000
	Balance c/d		1,000,000

Accounts payable

Date	Particulars	Dr (FRW)	Cr (FRW)
15-Nov	Inventory (credit purchase)		1,200,000
02-Dec	Bank (part payment)	800,000	
	Balance c/d	400,000	

ii. Trial balance for the three months ended 31 December 2024

Account	Dr (FRW)	Cr (FRW)
Bank (cash at bank)	49,528,000	
Motor Vehicle	16,000,000	
Inventory	25,200,000	
Prepaid Rent	1,404,000	
Rent	468,000	
Accounts Receivable – Munini Ltd	1,000,000	
Accounts Payable – African Bags Ltd		400,000
Sales		27,200,000
Capital		66,000,000
Totals	93,600,000	93,600,000

b)

*i. Statement of Profit or Loss and Other Comprehensive Income at Muhanga Ltd
for the year ended 31 Dec 2024*

Particulars	FRW '000'
Revenue	463,000
Purchases (296000-7500)	288,500
PPE depreciation	19,890
Less: Closing Stock	-52,600
Total Cost of Sales	255,790
Gross Profit	207,210
Wages & Salaries (96,000 – 16,500)	79,500
Marketing Costs	14,500
Other Operating Expenses	18,650
Depreciation – Buildings	9,800
Depreciation – Computers	12,000
Provision for Doubtful Debts Adj.	470
Total Operating Expenses	134,920
Profit before Finance Costs & Tax	72,290
Finance Cost (Interest Accrued)	1,440
Profit before Tax	70,850
Income Tax	1,200
Profit for the Year	69,650
Revaluation	24,800
Total Comprehensive income	94,450

ii. Statement of Financial Position at Muhanga Ltd as of 31 Dec 2024

Assets	FRW '000
Non-Current Assets	
Land	124,800
Buildings (net)	181,400
Plant & Machinery (net)	112,710
Computers (net)	36,000
Total Non-Current Assets	454,910
Current Assets	
Inventory (closing)	52,600
Receivables (net)	35,280
Prepaid Salaries	16,500
Cash at Bank	57,180
Total Current Assets	161,560
Total Assets	616,470
Equity and Liabilities	
Equity	
Share Capital	290,000
Share Premium	50,000
Retained earnings (6,580+94450)	101,030
Total Equity	441,030
Non-Current Liabilities	
12% Redeemable Debentures	120,000
Current Liabilities	

Trade Payables	52,800
Accrued Interest	1,440
Tax Payable	1,200
<i>Total Current Liabilities</i>	<i>55,440</i>
<i>Total Equity & Liabilities</i>	<i>616,470</i>

Workings

WK1	Depreciation			
	details			
Details	Cost	Accumulated depreciation	charge for year	NBV
Pant 15%(156000-23400)	156,000	23,400	19,890	112,710
buildings 5%*196000	196,000	4,800	9,800	181,400
computers (20%*60000)	60,000	12,000	12,000	36,000
TOTAL	412,000	40,200	41,690	330,110

WK2		
COST OF SALES		
opening stock	0	
purchases (296000-7500)	288,500	
closing stock	52,600	235,900
Depreciation for plant		19,890
Cost of sales		255,790

WK 3 Provision for bad and doubtful debts		
Trial balance	250	
Increase	470	
2% of receivables	720	

WK 4 RETAINED EARNINGS		
OPENING BALANCE	6,580	
PROFIT FOR THE YEAR	94,450	
BAL C/D	101,030	

WK 5 REVALUATION		
Opening Balance	100,000	
Land - Reevaluation	124,800	
Reevaluation Increase	24,800	

c)

Any five users of the financial accounts prepared by the business

Investors and potential investors are interested in their potential profits and the security of their investments. Future profits may be estimated from the target entity's past performance.

Employees and trade union representatives need to know if an employer can offer secure employment and possible pay rise. They will also have a keen interest in the salaries and benefits enjoyed by senior management.

Lenders need to know if they will be repaid, This will depend on the solvency of the business entity which should be revealed by the financial statements.

Government agencies need to know how the economy is performing in order to plan financial and industrial policies. The tax authorities also use financial statements as a basis of assessing the amount of taxes payable.

Suppliers need to know if they will be paid. New suppliers may also require reassurance about the financial health of a business before agreeing to supply goods.

Customers need to know that an entity can continue to supply them into the future. This is especially true if the customer is dependent on an entity for specialized supplies.

The public may wish to assess the effect of the entity on the economy, local environment and local community. Companies may contribute to their local economy and community through providing employment and patronizing local suppliers.

QUESTION TWO

Marking Guide

QN	DESCRIPTION	MARKS
a) i	Correct explanation of accrual concepts ;1mark for expenses and 1mark for revenues (1*2)	2
ii	Correct explanation of matching concepts; 1mark for expenses and 1mark for revenues (1*2)	2
	Maximum marks awarded for part a) i	4
b) i	Adjusted cashbook	
	Balance as per cashbook	1
	Direct deposit	1
	Interest on savings	1
	Bank error	1
	Cashbook undercast	1
	Error of transposition	2
	Loan repayment	1
	Standing order	1
	Bank charges	1
	Correct adjusted cashbook balance	2
	Maximum marks awarded for part a	12
ii	Bank reconciliation	
	Unpresented cheque	1
	Dishonoured cheque	1
	Uncredited cheque	1
	Correct computation of balance as per bank statement	1
	Maximum marks awarded for part b	4
	Total marks	20

MODEL ANSWER

a)

- Accrual concept

Revenues are recognized when earned but not received while expenses should be recognized when incurred regardless of if paid or not

- Matching concept

Business should match related expenses with revenues in the year in which they are incurred but not in the period in which they are paid. This is the basis of prepayment current assets and accruals as current liabilities

b)i)

DETAILS (Dr)	AMOUNT (000)	DETAILS (Cr)	AMOUNT (000)
Balance as per cash book	3,350	Bank Error	126
Direct deposit	260	Correction Error (Water Bill)	27
Dishonoured Check	1,640	Loan Repayment	600
Undercast Error	420	Standing Order	500
		Bank Charges	250
		Bal c/d	4,167
TOTAL	5,670		5,670

ii) Bank Reconciliation statement as at 31/12/2024

DETAILS	FRW000	FRW000
Balance as per adjusted cashbook		4,167
Add:		
Unpresented Cheque		1,772
Less:		
Uncredited cheque		(1,800)
BALANCE AS PER BANK STATEMENT		4,139

QUESTION THREE

MARKING GUIDE

QN		
i)	Profit before tax	0.5
	Non-cash items	
	Depreciation WK	1
	Full year interest expense	1
	loss on property plant and equipment	1
	gain on disposal of log term investment	1
	working capital	
	inventories increase	0.5
	receivables increase	0.5

	payable increase	0.5
	cash generated from operating activities	
	interest paid	0.5
	tax paid	0.5
	Net cashflow from operating activities	
	Investing Activities	
	Acquisition of property plant and equipment	2
	Acquisition of intangibles assets	0.5
	interest received	0.5
	Sale of property plant and equipment	0.5
	Sale of long-term investment	0.5
	Net cashflows from investing	
	Financing activities	
	issue of shares	0.5
	Issues of share premium	0.5
	Dividend paid	0.5
	Acquisition of loan	0.5
	Net cashflow flows from financing	0.5
	increase in cash and cash equivalents	0.5
	Opening cash and cash equivalents	0.5
	closing cash and cash equivalents	0
	Maximum marks awarded for part a	15
ii	Advantages of cashflow	
	Award 1mark for any correct advantage (1*5)	5
	Maximum marks awarded for part a	5
	TOTAL MARKS	20

MODEL ANSWER

a)

MUSANZE LTD		
CASHFLOW STATEMENT FOR YEAR ENDED 31ST DECEMBER 2024		
Details	FRW 000,000	FRW 000,000
Profit before tax		300
Non-cash items		
Depreciation WK2	90	
full year interest expense	75	
Interest income	(25)	

loss on property, plant, and equipment	13	
gain on disposal of long-term investment	(5)	
working capital		
inventories increase	(48)	
receivables increase	(75)	
payable increase	8	
cash generated from operating activities		333
interest paid WK5	(100)	
tax paid WK3	(130)	230
Net cashflow from operating activities		
Investing Activities		
Acquisition of property plant and equipment WK1	(201)	
Acquisition of intangibles assets	(50)	
interest received	25	
Sale of property plant and equipment	32	
Sale of long-term investment	30	
Net cashflows from investing		(164)
Financing activities		
issue of shares	50	
Issues of share premium	10	
Dividend paid	(55)	
Acquisition of loan	120	
Net cash flow flows from financing		125
increase in cash and cash equivalents		64
Opening cash and cash equivalents WK6		(97)
Closing cash and cash equivalents		(33)

WK1	FRW000,000
Property, plant, and equipment	
Bal c/d	720
Revaluation (100-91)	9
Disposal	85
acquisition	201
Bal b/d	595

WK2	FRW000,000
Depreciation	
Accumulated depreciation Bal B/d	340
deprecation on asset disposed (85-45)	40
Depreciation charge for year	90
Bal c/d	290

WK3	FRW000,000		
tax a/c			
BAL B/d			110
profit and loss			140
BAL c/d			120
tax paid			130
WK4	FRW000,000	FRW000,000	FRW000,000
Gain /loss on disposal	carrying amount	Disposal	loss/gain
loss on property plant and equipment	45	32	13
Gain long-term investment	25	30	5

WK5: Interest expenses	FRW000,000	
bal b/d		25
profit and loss		75
interest paid		100

WK6	FRW000,000	FRW000,000
cash equivalents	opening	closing
cash	1	2
cash at bank	98	85
90DAYS T bills	0	50
total	-97	-33

W7 Retained earnings

	FRW000,000
Opening	155
Annual profit	160
Less Dividends	(55)
Closing balance	260

Advantages of cash flow accounting

The advantages of cash flow accounting are as follows.

1. Survival in business depends on the **ability to generate** cash. Cash flow accounting directs
2. attention towards this critical issue.
3. Cash flow is more comprehensive than 'profit' which is dependent on accounting conventions and concepts.

4. Creditors of the business (both long and short term) are more interested in an enterprise's ability to repay them than in its profitability. While 'profits' might indicate that cash is likely to be available, cash flow accounting gives clearer information.
5. Cash flow reporting provides a better means of comparing the results of different companies than profit reporting.
6. Cash flow reporting satisfies the needs of all users better.
 - a. For management, it provides the sort of information on which decisions should be taken. In management accounting, 'relevant costs' to a decision are future cash flows. Traditional profit accounting does not help with decision making.
 - b. For shareholders and auditors, cash flow accounting can provide a satisfactory basis for stewardship accounting.
 - c. As described previously, the information needs of **creditors and employees** will be better served by cash flow accounting
7. Cash flow forecasts are easier to prepare, as well as more useful, than profit forecasts.
8. They can in some respects be audited more easily than accounts based on the accruals concept.
9. The accruals concept is confusing, and cash flows are more easily understood.
 - a. Cash flow information can be retrospective and can also include a forecast for the future. This is of great information value to all users of accounting information.
 - b. Forecasts can subsequently be monitored by the publication of variance statements which compare actual cash flows against the forecast

QUESTION FOUR

Marking guide

QN	DESCRIPTION	MARKS
	Computation	
a)	Award 0.5 mark for correct current ratio for every year (0.5*2)	1
	Award 0.5 mark for correct Gross profit margin ratio for every year (0.5*2)	1
	Award 0.5 mark for correct Return on capital employed ratio for every year (0.5*2)	1
	Award 0.5 mark for correct Payable period ratio for every year (0.5*2)	1
	Award 0.5 mark for correct receivable collection period ratio for every year (0.5*2)	1
	Award 0.5 mark for correct inventory conversion period ratio for every year (0.5*2)	1
	Award 0.5 mark for correct current debt to equity ratio for every year (0.5*2)	1
	Award 0.5 mark for correct current times interest cover for every year (0.5*2)	1
	Award 0.5 mark for correct asset turnover ratio for every year (0.5*2)	1
	Award 0.5 mark for correct acid test ratio for every year (0.5*2)	1
	Maximum marks awarded for part a	10
b)	interpretation	

	Award 1 mark for correct relationship between payables period and receivables period	1
	1 mark for correct interpretation	1
	Award 1 mark for correct interpretation of inventory conversion period	1
	Award 1 mark for correct interpretation current ratio	1
	Award 1 mark for correct interpretation of debt to equity1	1
	Maximum marks awarded for part d	5
	Limitation of ratios	
	Award 1 mark for any correct limitation to ratio analysis (1*5)	5
	Total marks	20

MODEL ANSWERS

a)

S/NO	RATIO	FORMULA	2023	2024
1	Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	$\frac{1286020}{268820}$ = 4.8 :1	$\frac{1305080}{415250}$ = 3.14:1
2	Gross profit margin	$\frac{\text{Gross profit}}{\text{Sales}} \times 100 \%$	$\frac{1289466}{4816906} \times 100$ = 26.8%	$\frac{1500824}{5205514} \times 100$ = 28.8%
3	Return on capital employed	$\frac{\text{PBIT}}{\text{Capital employed}} \times 100\%$ Capital employed=(Total assets-current liabilities)	$\frac{474466}{(2293020 - 268820)} \times 100\%$ =23.4%	$\frac{576004}{(1305080 - 415250)} \times 100\%$ =29.4%
4	Payable period	$\frac{\text{Payables}}{\text{Credit purchases}} \times 365 \text{ days}$	$\frac{214040}{3567540} \times 365$ =22 days	$\frac{320050}{3687420} \times 365$ = 32 days
5	Receivable period	$\frac{\text{Receivables}}{\text{Credit sales}} \times 365 \text{ days}$	$\frac{652500}{4816906} \times 365$ = 49days	$\frac{660900}{5205514} \times 365$ = 46days
6	Inventory conversion period	$\frac{\text{Closing inventory}}{\text{Cost of sales}} \times 365 \text{ days}$	$\frac{600800}{3527440} \times 365$ =62days	$\frac{585580}{3704690} \times 365$ 58days
7	Debt to equity ratio	$\frac{\text{Longterm debt}}{\text{Equity}} \times 100\%$	$\frac{350000}{1674200} \times 100\%$ =21%	$\frac{250000}{1711280} \times 100\%$ = 15%
8	Times interest cover	$\frac{\text{Profit before interest \& tax}}{\text{Interest payable}}$	$\frac{474466}{52500}$ = 9 Times	$\frac{576004}{37500}$ = 15.36 Times

9	Asset turnover	<u>Sales</u> /Total assets	<u>4816906</u> 2293020 = 2.1 times	<u>5205514</u> 2,376,530 = 2.19
10	Acid test ratio	<u>Current assets - inventory</u> Current liabilities	(1286020 - 600800)/ 268820 = 2.55: 1	(1305080 - 585580) / 415250 = 1.73:1

b)

Interpretation of ratios

i. Payable period against receivables period concerning liquidity

Payables period shows the number of days business takes before paying suppliers, while receivable period shows the number of days it takes for receivables to pay the business. Generally, the payables period should be longer than receivable to allow the business to receive cash from receivables to pay its suppliers. From the above, the payables period is 22 days and 32 days respectively while receivables period is 49 days and 46 days. This means that the business may have liquidity constrain since the payable is received earlier than the receive from receivable.

ii. Inventory conversion period

The ratio shows how quickly inventory is converted into sales. From the above, it takes a period of at least two months to convert inventory into sales. Minimal improvement over the two years 21% and 15% shows an increase of equity and reduction of debt from 2023 to 2024

iii. Current ratio

The ratio shows how the business can pay its current liabilities using current assets, and the best ratio is usually at least 2: 1. From the above, the ratio is above the best ratio for both years, indicating that the business has enough working capital

iv. Debt to equity

The ratio shows the percentage of debt to owners' equity. Generally, equity is always recommended to be more than debt. From the above ratios are

c)

Limitations of ratios as a tool of financial statement analysis

Information problems

- The base information is often out of date, so timeliness of information leads to problems of interpretation.
- Historical cost information may not be the most appropriate information for the decision for which the analysis is being undertaken.

- Information in published accounts is generally summarized information and detailed information may be needed.
- Analysis of accounting information only identifies symptoms, not causes, and is therefore of limited use.

Comparison problems: trend analysis

- Effects of price changes make comparisons difficult unless adjustments are made.
- Impacts of changes in technology on the price of assets, the likely return and the future markets.
- Impacts of a changing environment on the results reflected in the accounting information.
- Potential effects of changes in accounting policies on the reported results.
- Problems associated with establishing a normal base year with which to compare other years.

Comparison problems: across companies

- Selection of industry norms and the usefulness of norms based on averages.
- Different firms have different financial and business risk profiles, and the impact on analysis.
- Different firms use different accounting policies.
- Impacts of the size of the business and its comparators on risk, structure, and returns.
- Impacts of different environments on results, eg, different countries or home-based versus multinational firms.

QUESTION FIVE

MARKING GUIDE

QN		
QN	Description	
a)i	Award 1mark for correct definition, 1mark for correct example and 1 mark for accounting treatment	3
	Purchased goodwill: 1*3 Marks	3
	Non-purchased goodwill: 1*3 Marks	
ii	Award 1mark for each circumstance	2
	Maximum marks awarded for part a	8
b) i	Financial performance	
	Transfers from exchaquer	0.5
	fees and fines	0.5
	transfers from other ministries	0.5
	other non-exchange revenues	0.5

	licenses	0.5
	Total revenue	
	EXPENDITURES	
	salaries and wages	0.5
	office consumables and stationaries	0.5
	transfers to other ministries	0.5
	finance cost	0.5
	other expenses	0.5
	Surplus/deficit for year	1
	Maximum marks awarded for part b	
ii	Financial position	
	land and buildings	0.5
	office equipment's	0.5
	cash and cash equivalents	0.5
	trade and other receivables	0.5
	inventory	0.5
	Accumulated surplus	0.5
	liability for long-term employees	0.5
	LONGTERM LIABILITIES	0.5
	long-term borrowings	0.5
	long-term finance lease	0.5
	liability for long-term employees	0.5
	ministries payables	0.5
	Maximum marks awarded for part b	6
	TOTAL MARKS	20

a)

i)

Purchased goodwill – it is the value of goodwill that a company acquire through the purchasing process of another business. That means it is the excess of the purchase consideration over the net assets (net worthy) of a business during acquisition.

Example:

If company A wants to acquire company B and the purchase consideration for payable by A to acquire B is FRW 800million and the net worthy of company B is FRW 750Million, the excess over the net asset of company B paid by company A is goodwill

Accounting treatment:

The purchased goodwill may be shown in the accounts as an intangible asset. Purchased goodwill can be treated in the following three main ways:

- Goodwill is written off from the accounts
- Is carried at its value and amortized over a period of time
- Carried at its value without being amortized.

Non-Purchased Goodwill (Internally Generated Goodwill): is determined by using subjective estimates and represents the value of a business's strong reputation, skilled workforce, customer loyalty and market position that has been built up over time through internal efforts, not via an acquisition.

Example:

Non purchased goodwill - Are events on the other hand which are indicative of a condition that arose after the end of the reporting period and do not result in adjustment to the financial statement. There are various approaches to these. Goodwill may be arrived at by taking the average profits for let's say three previous years of trading.

Accounting treatment:

Due to this subjective estimate, this type of goodwill is not maintained or shown in the accounts.

(ii)

An intangible asset is recognized in the financial statements if;

- It is probable that future economic benefits will flow
- Its cost can be measured reliably

c)

MINISTRY OF SPORTS STATEMENT OF FINANCIAL PERFORMANCE FOR YEAR ENDED 31ST DECEMBER 2024	
Details	FRW000
REVENUES	
Transfers from exchequer	356,000
fees and fines	12,000
transfers from other ministries	8,500
other non-exchange revenues	6,580
Total revenue	383,080
EXPENDITURES	
salaries and wages	186,500
office consumables and stationery	32,000
transfers to other ministries	42,650
finance cost	52,000
License	13,650
Depreciation	4,000
other expenses	25,650
Surplus/deficit for year	26,630

STATEMENT OF FINANCIAL POSITION AS AT 31ST DEC 2024		
DETAILS	FRW 000	FRW000
NON-CURRENT ASSETS		
land and buildings		190,930
Less: Acc Depreciation		(50,250)
office equipment		67,500
CURRENT ASSETS		
cash and cash equivalents	29,550	
trade and other receivables	36,800	
inventory	14,500	80,850
TOTAL ASSETS		289,030
FINANCED BY		
Accumulated surplus (112,050+26,630)		138,680
Liability for long-term employees		42,030
LONGTERM LIABILITIES		
Long-term borrowings		62,320
Long-term finance lease		30,000
CURRENT LIABILITIES		
Ministries payables		16,000
TOTAL CAPITAL AND LIABILITIES		289,030

End of Model Answers