

Nalanda College – Colombo 10

Unit Evaluation

Grade 10

Business & Accounting studies

Unit 06

Dual impact of transactions

Part I

- From question 01 to 10 select the correct or the most appropriate answer from the given alternatives 1,2,3,4

1) **“Received cash from Debtors Rs.5000”** The dual effect of this transaction is,

1. Debtors assets	increases	Rs. 5000
Cash assets	decreases	Rs. 5000
2. Debtor assets	decreases	Rs. 5000
Cash assets	increases	Rs. 5000
3. Debtor A/C	Debit	Rs. 5000
Creditors A/C	Credit	Rs. 5000
4. Creditors liability	increases	Rs. 5000
Cash assets	decreases	Rs. 5000

- Answer the question 02, 03 and 04 based on the items given below.

A – Cash account	E – Creditors account
B – Rent Income account	F – Bank loan account
C – Capital account	G – Machinery account
D – Debtor account	H – Drawings account

2) From the above accounts which accounts belongs to Asset accounts

- | | |
|--------------------|-----------------------|
| 1. A, C and D only | 2. A, B, C and G only |
| 3. A, D and G only | 4. A, B and G only |

3) The account/ accounts that belong to the Capital accounts is,

- | | |
|-----------------|--------------------|
| 1. C and H only | 2. A only |
| 3. A and C only | 4. A, C and H only |

4) From the above account, the **“F”** account belongs to,

- | | |
|-------------------------------|-----------------------------|
| 1. Asset account category | 2. Capital account category |
| 3. Liability account category | 4. Income account category |

- Answer the question 05, 06 and 07 based on the following transactions.

A – Paid bank loan of Rs. 5 000
B – Purchases Rs. 20 000
C – Stock drawings by owner Rs. 8 000
D – Bought furniture of Rs. 10 000

5) The transaction that decreases assets and liabilities is,

1. A 2. B 3. C 4. D

6) The transaction that affect the change Equity is,

1. A 2. B 3. C 4. D

7) The relevant double entry for the C transaction is,

- | | | |
|----------------------|--------|-----------|
| 1. Drawings account | Debit | Rs. 8 000 |
| Cash account | Credit | Rs. 8 000 |
| 2. Drawings account | Debit | Rs. 8 000 |
| Purchases account | Credit | Rs. 8 000 |
| 3. Purchases account | Debit | Rs. 8 000 |
| Drawings account | Credit | Rs. 8 000 |
| 4. Purchases account | Debit | Rs. 8 000 |
| Cash account | Credit | Rs. 8 000 |

• The types of ledger accounts shown in the ledger are as follows. Answer 08, 09 and 10 questions accordingly.

- | | |
|-----------------------------|------------------------------|
| A – Asset account | B – Liability account |
| C – Income account | D – Capital account |
| E – Expenses account | |

8) The types of accounts that record the increase in debit and the decrease in credit is,

1. A and B 2. C and D 3. A and E 4. B and C

9) The types of accounts that record the decrease in debit and the increase of credit is,

1. B, C and A 2. A, B and C 3. B, C and E 4. C, D and E

10) Investing of capital of Rs. 50 000 is recorded in,

1. B and E 2. C and D 3. A and D 4. C, D and E

Part II

1) Write the dual effect of the below given transactions.

1. Owner invested Rs. 10 000 as capital.
2. Paid salaries of Rs. 25 000.
3. Purchased furniture worth Rs. 8 000 for the business use.
4. Purchased stock worth Rs. 4 000 on credit basis.
5. Obtained a bank loan of Rs. 100 000.

2) Write the double entry of the following transactions

1. The owner invested his personal motor vehicle worth Rs. 500 000 for the business.
2. Paid to creditors Rs. 8 000.
3. Purchased stock worth Rs. 5 000 on cash.
4. Owner used goods worth Rs. 8 000 for his personal use.
5. Received interest income of Rs. 300.

3) Below are the transactions that occurred in Kusals business during the month of January 01/01 Owner invested capital of Rs. 500 000.

01/03 Purchased goods worth Rs. 20 000.

01/05 Bought machinery worth Rs. 25 000.

01/08 Obtained a bank loan of Rs. 30 000.

01/10 Cash sales of Rs. 3 000.

01/18 Bought stock worth Rs. 7 000 on credit basis.

01/20 Paid shop rent of Rs. 10 000.

01/24 Owner obtained Rs. 5 000 for his personal use.

01/26 Credit sales of Rs. 4 000

01/28 Paid electricity bill of Rs. 2 000.



Required,

1. Record the above transactions in their relevant Ledger accounts.
2. Balance the ledger accounts.

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