

# Nalanda College – Colombo 10

## Unit Evaluation

Grade 10

Business &amp; Accounting studies

Unit 10

### Purchases Journal

- State whether the following statements are True or False.

- 1) The cash and credit purchases of a business are recorded in the purchases Journal [.....]
- 2) The value deducted from the marked price of an item is called the Trade discount. [.....]
- 3) Purchase account is an expense account [.....]
- 4) The totals of the purchases journal is debited to the purchase account and credited to the relevant creditors [.....]

- Complete the below given statements by using the most appropriate word in the given space.

- 5) Purchase journal is also known as.....
- 6) The people who purchased goods on credit is known as suppliers or .....
- 7) The value after deducting the trade discount from the marked price of an invoice is called .....

- The following is a sales condition extracted from an invoice

**5/45/ net 90**

- 8) The time given to settle the debt is;
 

1. Within 90 days	2. Within 45 days
3. Within 05 months	4. Within 40 days
- 9) The percentage of the discount mentioned in the above sales condition is,
 

1. 5%	2. 45%	3. 10%	4. 40%
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- 10) According to the above invoice, within which time period should the loan must be settled to receive the trade discount?
 

1. Within 5 days	2. Within 45 days
3. Within 90 days	4. Within 40 days

11) The source document used to record transactions in the Purchasing journal is,

1. Voucher                              2. Invoice                              3. Receipt                              4. Journal voucher

12) The double entry for recording the credit purchases is,

- |                     |    |                   |    |
|---------------------|----|-------------------|----|
| 1. Purchase journal | Dr | 2. Purchases acc. | Dr |
| Creditors           | Cr | Creditors         | Cr |

- |                   |    |               |    |
|-------------------|----|---------------|----|
| 3. Creditors      | Dr | 4. Creditors  | Dr |
| Purchases journal | Cr | Purchase acc. | Cr |

### Part II

#### Answer the following questions

- Following are the purchases occurred in the Dhanajayas business in may 2020
- On 2020.05.08 (invoice no 100) purchased 50 packets of milk packets from Milco Company at Rs.335/= per packet. 8% trade discount was received.
  - On 2020.05.26 (invoice no. 1125) purchased 50 Kg of rice from Ruhunu rice at Rs.75/= per Kg. Trade discount of 4% was received
  - The net value of the goods purchased on 2020.05.26 (invoice no 65) from Raigam exports was Rs.18790/=

#### Required :

- Purchase journal
- Purchase account and the other relevant ledger accounts.

### Sales journal

- Answer all the questions

- What is a sales journal?
- What is the source document relevant for the sales journal?

- The sales information for April 2019 in Ravindras business who export fruit is given below  
On 2019.04.15 sales for Daham (net value) is Rs.75 000/=  
On 2019.04.18 sales for Ranga (net value) is Rs.45 000/=  
On 2019.04.23 sales for Sanka is Rs.35 000/= . Trade discount 4% was given

3. The net value of the transaction occurred in 2029.04.23 is,  
 1. Rs.1 400                      2. Rs.36 400                      3. Rs.35 000                      4. Rs.33 600
4. According to the above transactions, the amount that must be recorded to the sales account from sales journal is,  
 1. Rs. 155 000/=                      2. Rs. 153 600                      3. Rs. 156 400                      4. Rs. 121 400
5. Write the double entry when recording amounts from sales journal to the ledger accounts.  
 6. Prepare the sales journal using the above given information of Ravindra's business.  
 7. Prepare the relevant ledger accounts.

### **General Journal and Computer Based Accounting**

- 1) A function not related to computer based accounting is,  
 1. Transfer business accounting data to a computer software and obtain the required accounting output.  
 2. Storing of daily transactions information occurred in a business.  
 3. Carrying out human resource management activities such as employee administrations.  
 4. Providing information to interested parties through the analysis of account information.
- 2) Not a transaction recorded in the General journal is,  
 1. Selling of stocks kept for selling purpose on credit  
 2. Purchase of non-current assets for business use.  
 3. To record error correction notes.  
 4. To record accounting adjustments notes.
- 3) A computer software package used to prepare accounts automatically in Computer Based Accounting is,  
 1. MS Excel                      2. Sage                      3. Google Sheets                      4. Libre Office calc
- 4) A task that cannot be accomplished through mobile banking service operated by commercial banks is,  
 1. Transfer money between accounts                      2. Payments of bill  
 3. Obtaining statements relevant to accounts                      4. Opening a new mobile account

### **Part II**

**Answer all the questions.**

- 1) What is the source document used to record transactions in a General Journal?  
 2) What is the name of the brief description that is written in relation to a transaction after it has been recorded u the General Journal?  
 3) Below are some transactions that took place in Asiri business
1. 2020/03/02bought a machine worth Rs. 65 000 from Ruwan Ranasingha on Credit basis

2. 2020/03/12 Ruwan obtains a stock of goods worth Rs. 4 000 for his personal Use
3. 2020/03/24 bought office equipment worth Rs. 35 000 on credit from cooray Company

Required : record the above transactions in the General Journal

- 4) Write down 3 advantages and disadvantages of Mobile banking.
- 5) Write down 3 advantages and disadvantages of Computer Aided Banking.



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