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 Provincial Department of Education - NWP

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දෙවන වාර පරීක්ෂණය - 11 ශ්‍රේණිය - 2019

Second Term Test - Grade 11 - 2019

Business & Accounting Studies I, II

Time:- 03 hours

Name/Index No:- Business & Accounting Studies - I

Note:-

- * Answer all questions
- * In each of the questions 1 to 40, pick one of the alternatives 1, 2, 3, 4 which you consider as correct or most appropriate.
- * Mark a (x) on the number corresponding to your choice in the answer sheet provided.
- * Further instructions are given on the back of the answer sheet. Follow them carefully.

* **Study following case and answer question No: 01 to 05**

In order to improve the aesthetic skills of the students, an Arts festival was held in the main hall of Sucharitha Maha Vidyalaya. The guests, teachers and the parents were amazed upon witnessing the various events of the students. This festival was sponsored by the Sathsara Art centre Limited.

01. The needs which are fulfilled by this case are,

1. Communication - Education	2. Education - health
3. Entertainment - Education	4. Health - Communication
02. The factor of production relates to the "school main hall"

1. capital	2. Land	3. labour	4. Entrepreneurship
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03. Sathsara Art centre Limited is,
 1. A commodity manufacturing business related to public centre
 2. A partnership relates to service providing business.
 3. A service providing business relates to an incorporated company.
 4. A commodity manufacturing business relates to private sector.
04. Select an internal environmental factor and an external environmental factor relates to sucharitha Maha Vidyalaya respectively.

1. Teachers / Parents	2. Parents / Students
3. Sathsara Pvt Ltd / Teachers	4. Students / Teachers
05. Select the corrected statement relates to the Sathsara Art centre Limited.

1. Having a democratic control	2. Not having a continued existence
3. Having an unlimited liability	4. Having a legal personality
06. Select a criteria which is not used to classify the business organizations according to the scale.

1. The market share of the business.	2. The source of energy used.
3. Number of employees	4. Amount of capital invested
07. Select the answer which is matched correctly.

Type of business organization	Legal position
A. Malalakumara Stores	1. Companies Act
B. Perera & Sons	2. Cooperative Act 1972
C. Dimuthu company limited	3. The business name ordinance
D. Hiriyala muli purpose cooperative society	4. The fraud prevention Act
1. A-4, B-3, C-1, D-2	2. B-4, A-3, C-2, D-1
3. A-2, D-3, C-4, B-1	4. C-1, D-2, B-4, A-3

08. Select the business organization which is having an objective of social welfare.
1. Sri Lanka ports Authority.
 2. Sri Lanka phosphate company
 3. Sri Rathnodaya Death donation association
 4. Sri Lanka Agricultural Insurance Board
09. Select the corrected statement relates to the registering of the business name.
1. The business name is considered as an individual on behalf of the law.
 2. It relates only sole proprietorships.
 3. It facilitates to get government incentives.
 4. It is Compulsory to book keeping and Auditing.
10. Kamal has a credit card and Amal has a debit card. An advantage which is acquired only to kamal.
1. Can do transactions via Automated teller machines.
 2. Can obtain various discount facilities.
 3. Can do transactions without the bank account.
 4. When transacting it is not incurred extra cost.
11. How much will be received as compensation, if a motor vehicle worth Rs. 1000 000 was insured for Rs. 700 000 and the loss of Rs. 200 000 has occurred.
1. Rs. 700 000
 2. Rs. 200 000
 3. Rs. 1000 000
 4. Rs. 800 000
12. In external communication, A business uses different communication mediums such as meetings, discussions, workshops are called as and telephone, radio and internet are called as
Select the correct answer for above blanks. 1 & 2 respectively.
1. Verbal communication methods & written communication methods.
 2. Written communication methods & electronic communication methods.
 3. Verbal communication methods & symbol communication methods.
 4. Verbal communication methods & electronic communication methods
13. When selecting a transportation mode to transport fresh flowers from Nuwara Eliya to Kurunegala.....^①..... and^②..... should be mainly considered. The correct answer for above blanks 01 & 02 respectively as,
1. Cost, Capacity
 2. Being common, Speed
 3. Speed, Security
 4. Cost, Security
14. Select the correct answer, which numbers are printed respectively on the Magnetic Ink Character Recognition space of a cheque.
1. Cheque number, bank branch, number account number, bank number
 2. Bank number, bank branch number, cheque number, account number
 3. Account number, bank branch number, bank number, Cheque number
 4. Cheque number, bank number, bank branch number, Account number
15. In order to achieve objectives of a business, what is the management function relates to "the appointing managers for sales activities of the business."
1. Planning
 2. Organizing
 3. Leading
 4. Controlling
16. "Printing and selling a model question paper for primary students." What is the best concept for above statement.
1. Target market
 2. Goods market
 3. Services market
 4. Market space
17. Following are some accounting objectives.
Select the main objective of accounting.
1. Paying income tax
 2. Planning future activities.
 3. Providing information to the stakeholders to take decisions.
 4. To minimize disadvantages arising through omission and commission of transactions.

18. Select the corrected accounting equation
1. Assets + liabilities = equity
 2. Assets + equity = liabilities
 3. Assets – liabilities = equity
 4. Equity - liabilities = Assets
19. "Received commission income Rs. 12000". As above transaction,
1. Increase assets by Rs. 12 000, increase equity by Rs. 12 000
 2. Decrease assets by Rs. 12 000, decrease equity by Rs. 12 000
 3. Decrease liabilities by Rs.12 000, increase assets by Rs. 12 000
 4. Increase assets by Rs. 12 000, increase liabilities, by Rs. 12 000
20. Study following statements.
- A. Controlled by the business
 - B. Arose as a result of a past transaction
 - C. Inflow future economic benefits to the business.
 - D. Having a present obligation
 - E. When settle the due amount, a part of resources of the business will flow out.
- Out of above, select the answer which includes only the characteristics of a liability.
1. A, B & C
 2. B, C & D
 3. B, D & E
 4. C, D & E
21. A business paid in cash Rs. 22 500 to settle a creditor worth Rs. 25 000
The corrected double entry for above transaction is,
1. Creditors Acc Dr. Rs. 25 000 - Cash Acc Cr. Rs. 25 000
 2. Creditors Acc Dr. Rs. 22 500 - Cash Acc Cr. 22 500
 3. Creditors Acc Dr. Rs. 25 000 - Cash Acc Cr. Rs. 22 500 Discount received Acc Cr. 2 500
 4. Creditors Acc Dr. Rs. 25 000 - Cash Acc Cr. Rs. 22 500 discount allowed Acc Cr. 2 500
22. Select the incorrect double entry
1. Asset Accounts - Increase debit decrease credit
 2. Liabilities Accounts - Increase credit decrease debit
 3. Equity Account - Increase credit decrease debit
 4. Expenses Account - Increase credit decrease debit
- **Using following information answer question No 23 & 24**
Following transactions occurred in Nalaka's textile business
- A. Paid employees salary Rs. 10 000
 - B. Purchased office equipment Rs. 150 000 on credit
 - C. Sold garments Rs. 30 000 on credit basis which its cost Rs. 20 000
 - D. Purchased garments Rs. 18 000 on credit
23. Select the transaction which is recorded in general journal
1. A
 2. B
 3. C
 4. D
24. Related source documents for transaction A & B and related prime entry books for transactions C & D are respectively as
1. Paying voucher, journal voucher, sales journal, cash book
 2. Paying voucher, General journal, sales journal, purchases journal
 3. Paying voucher, purchases invoice, sales journal, purchases journal
 4. Paying voucher, journal voucher, sales journal, purchases journal
25. Cash in hand of the petty cashier as at 31.12.2018 was Rs. 590. Petty cashier received Rs. 2 410 from main cashier on 01 st February. What is the petty cash imprest of this business?
1. Rs. 590
 2. Rs. 1 820
 3. Rs. 2 410
 4. Rs. 3 000

34. Select an item which presents in the credit column of the bank statement
1. Cheque book charges
 2. Payment on standing orders
 3. Debtors remittances
 4. Overdraft interests
35. Monthly building rent is Rs. 2 000 of Dasun's business for the year 2018 and paid Rs. 16 000 during the year. The corrected journal entry to remaining payable amount is,
1. Rent Acc Dr. Rs. 8 000 cash acc cr. Rs. 8 000
 2. Accrued rent Acc Dr Rs.8 000 cash acc cr. Rs. 8 000
 3. Rent Acc Dr. Rs. 8 000 Accrued rent Acc cr. Rs. 8 000
 4. Rent Acc Dr. Rs 8 000 Suspense Acc Cr. Rs. 8 000

- Following Trial Balance relates to Isuru Udana's business as at 2018.12.31

Opening stock	40 000	
Purchases	80 000	
Sales		170 000
Discount allowed	5 000	
Discount received		7 000
10% bank loan		100 000
Motor Vehicle	500 000	
Building	300 000	
Electricity	5 000	
Salaries	15 000	
Creditors		15 000
Capital		653 000
	945 000	945 000

Additional information.

- stock as at 31.12.2018 Rs. 12000
 - Accrued salary Rs. 5 000 as at 31.12.2018
 - The bank loan obtained on 01.01.2018
36. Gross profit for the year ended 31.12.2018 of this business is,
1. Rs. 120 000
 2. Rs. 62 000
 3. Rs. 50 000
 4. Rs. 29 000
37. The amount of expenses introduced in profit or loss statement for the year ended 31.12.2018 of this business is,
1. Rs. 108 000
 2. Rs.62 000
 3. Rs. 40 000
 4. Rs, 29 000
38. The net profit for the year ended 31.1.2018 of this business is,
1. Rs. 120 000
 2. Rs. 108 000
 3. Rs. 62 000
 4. Rs. 29 000
39. The amount of equity as at 31.12.2018 of this business is,
1. Rs. 653 000
 2. Rs. 682 000
 3. Rs. 631 000
 4. Rs. 277 000
40. The amount of current liabilities as at 31.12.2018 of this business is,
1. Rs.100 000
 2. Rs. 20 000
 3. Rs. 15 000
 4. Rs. 30 000

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Provincial Department of Education - NWP

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Second Term Test - Grade 11 - 2019

Name/Index No:- Business & Accounting Studies II

Notes:-

- Answer five questions only as instructed.
- Any extra questions answered if not struck off by the candidate himself will be crossed out by the examiner without being marked.
- Including question No. 01, answer 05 questions, Selecting 02 questions from each of the parts I & II.
- Write your answers in neat hand writing

01. Using the following case answer question No I to X.

Sumal started a textile business by the name of "Mal Fashion" in the middle of the main city. The required garments are bought under discounts from the Alpine garments Ltd. For this he invested a lorry worth 600 000 on 01.01.2019. In order to carry out the business activities he recruited a worker who has done a course on marketing.

He sells his garments under special discounts and sells them in package with the name of the business on it. Also he has decided to purchase 05 sewing machines in the coming year in order to start sawing clothes.

Following is the cash book of Sumal's business for the month of January.

Cash Book

Date	R/N	Discription	L/F	amount	Date	V/N	Discription	L/F	amount
1/1	01	Capital		300 000	1/3		Purchases	01	75 000
1/2	02	Bank Loan		500 000	1/4		equipment	02	25 000
1/27	03	Sales		150 000	1/8		Advertisetment	03	10 000
1/27	04	debtors		20 000	1/20		Telephone	04	2 000
					1/21		Drawings	05	5 000
					1/25		rent	06	25 000
					1/27		Salary	07	25 000
					1/31		b/c/f		803 000
				<u>970 000</u>					<u>970 000</u>
2/1		b/b/f		803 000					

Following information is related to the month of January.

- Accrued loan interest for the month of january Rs. 500
 - 2019/01/03 purchsed garments on credit Rs. 25 000
 - The lorry should be depreciated 10% annum on cost
 - 2019/01/27 sold garments on credit Rs. 50 000
 - There were no remaining stock
- (i) (a) Classify following businesses according to the nature of product produced.
- Mal Fashion
 - Alpine Garments Limited
- (b) What is the type of business organization which is Alpine garment limited related to?

- (ii) (a) Name a strength and an opportunity of Sumal's business.
 (b) Should Sumal's business be registered?
 state the legal position for that.
- (iii) (a) Write an advantage each of the types of business organizations that Sumal's and Alphine Garments limited.
 (b) Categorize the trade which Sumal's business and Alphine garments are done.
- (iv) Give examples for following management functions and variables of marketing mix of this case
 (a) planning (b) Organizing (c) Product (d) Promotion
- (v) State the accounting equation of Sumal's business as at 02/01/2019
- (vi) Name 02 prime entry books which are holding of this business.
- (vii) Write the related double entry with values to record credit purchases.
- (viii) Write 04 types of accounts that can be seen in the ledger of this business and give an example each.
- (ix) Write 02 transactions which are changed the equity of this business.
- (x) Calculate the net profit as at 31.01.2019 (02 x 10 = 20 maks)

Part I - Business Studies

● Answer 02 questions only.

- (02) (i) (a) What is business environment.
 (b) Classify the business environment
- (ii) State whether the following statements are true or false.
 (a) Generating production surplus caused to the bartar system. (.....)
 (b) As a result of industrial revolution market space generated, (.....)
 (c) Employees welfare is a business objective. (.....)
 (d) Wants are changed only the income level of humans (.....)
- (iii) Gunasena who completed his university education started his own consultancy service business. His expectation was to incentivise the small businesses in that area, through providing advises. In order to make his business a success he recruited some young men who have passed their A/Ls.
 (a) State 02 stakeholders for above business.
 (b) State an objective each of them are expected to fulfill from the business.
- (iv) 2019 budget proposals were forwarded on a previous day. Then it was decided to impose a new carbon tax on Motor Vehicles.
 (a) Write the environment related to the above case.
 (b) Write and objective which is expected to achieve the government by imposing the carbon tax. (2 x 4 = 8 marks)
- (03) (i) (a) What is a sole proprietorship.
 (b) Write 02 characteristics of a sole proprietorship.
- (ii) For a business organization which is commenced some individuals are getting together expect to answer following questions from you.
 (a) What is the most suitable type of business organization should be commenced by them?
 (b) If they firstly invested Rs. 500 000, what should be done for the securing of the investment?

- (iii) State whether the following statements true or false.
- (a) Every legal operations are conducted by its business name is an advantage of a sole proprietorship (.....)
- (b) It is not mentioned in the partnership ordinance relates the number of partners. (.....)
- (c) Minimum 10 members are in a cooperative society. (.....)
- (d) It is not having a legal personality of state departments (.....)
- (iv) Kamal purchased a loaf of bread and some eggs from a supermarket near his office. He made the payment due by using his credit card.
- (a) State the type of trade on its nature that kamal has selected to buy goods.
- (b) Write 02 benefits that Kamal can be achieved by using credit card.

(2 x 4 = 8 marks)

- (04) (i) (a) What are licensed commercial banks?
- (b) Write 02 services offered by licensed commercial banks to the businessmen.
- (ii) Ursula who has finished her school education was recruited by an international firm for an interview through a phone call. The interview was held through the internet and certificates was sent through e-mail. Few days afterwards, a letter was sent to Ursula's home by the Sri Lankan branch of that firm mentioning she was selected.
- (a) State 02 suitable examples for holding interviews via internet.
- (b) Write 02 reasons has been considered when selecting above used mediums of communication.
- (iii) State whether the following statements are true or false.
- (a) Purchasing foods by the school canteen is a transaction relevant for retail trade (.....)
- (b) The wholesale price is often higher than the retail price because of the expectation is gaining high profit (.....)
- (c) Senior citizen's account is an example for current accounts (.....)
- (d) Father has not an insurable interest for his children. (.....)
- (iv) Assume that your "school fair" was decided to be held in the month of December this year in order to provide scholarships for children of low income earning families. Assume that all organizing activities of the fair are given to you and mention 02 decisions that you would take.

(2 x 4 = 8 marks)

Part II - Accounting

● **Answer 02 questions only.**

05. (i) (a) State 02 parties who are used accounting information
- (b) Write a transaction which is affected only assets in accounting equation (02 marks)
- (ii) Following 02 transactions occurred in a retail business.
- (a) Obtained a bank loan Rs. 150 000
- (b) Trade goods worth Rs. 6 000 sold to Nimal on credit.
- Write the journal entries for above 02 transactions (02 marks)

- (iii) The following Accounting equation of Tharindu's business which sells computers shows the impacts of transactions for the month ended 31.05.2019

	Assets				Equity	Liabilities	
	Office equipment	stock	debtors	Cash		Bank Loan	Creditors
2019/5/1 Balance	200 000	20 000	40 000	28 000	?	150 000	31 000
(1)		+ 12 000					+ 12 000
(2)				- 9 000	- 1 000	- 8 000	
(3)			- 10 000	+ 8 000	- 2 000		
(4)		- 5 000		+ 7 500	+ 2 500		

- (a) Describe the each transaction with the related amounts.
 (b) 1. Calculate the opening equity as at 01.05.2019
 2. Calculate the following as at 31.05.2019
 A . - The value of current assets
 B. - The value of Non current liabilities
 C. - The value of equity (04 marks)

- (iv) Following transactions occurred in Kumara's business for the month of May 2019.

Date	Transaction	Source document
05/03	Credit purchases from Ruwan 20 packet of biscuits at Rs. 150 each	invoice No 512
05/04	Purchased on each 50 exercise books at Rs. 35 each	receipt No. 30
05/12	Purchased 02 shelves for good for the use of the business at Rs. 20 000 on credit from Damro sales center.	Journal voucher No.310
05/15	Credit purchases from Araliya business 50kg of rice at Rs. 70 each	invoice No. 818
05/21	Sold on credit to Sahan 02 kgs of suger at Rs. 95 each	invoice No. 915

- Required** (a) Prepare the purchases journal of Kumara's business for the month of May 2019
 (b) Post them into ledger accounts as at 31.05.2019 (04 marks)
 (Total 12 marks)
- (06) (i) (a) State an advantage of computerized Accounting
 (b) What is a Trial Balance. (02 marks)
- (ii) The cash in hand of the petty cashier as at 31.05.2019 was Rs. 1500. The totals of the analysis columns are as follows.
 Refreshments 1 800 Stationary 2 700 Travelling charges 2 400 Sundry expenses 1 600
 (a) What is the amount of petty cash expenses for the month of May 2019
 (b) If it is decided to increase the petty cash imprest by Rs. 5 000 from the month of June 2019, What the reimbursement amount as at 01.06.2019 (02 marks)
- (iii) (a) 1. What is a bank statement? (02 marks)
 2. State 02 items which are considered preparing the adjusted bank account (02 marks)
 (b) The balance of the bank account was Rs. 24 500 as at 31.05.2019 of Samantha's business. However it was not agreed with the balance of the bank statement.
 Following reasons affected to the difference.
 (1) Direct debtors remittances Rs. 2 000
 (2) Bank charges Rs. 750
 (3) Deposited but not realized cheques Rs. 3 000
 (4) Issued but not presented cheques Rs. 4 000

Required

- (1) Prepare the adjusted bank account
 (2) Prepare the bank reconciliation statement (02 marks)

- (iv) The Trial Balance as at 31.05.2019 of Avishka's business was not tally. The difference transferred to a suspense account. Later revealed following errors.
- (1) Commission received Rs. 1 500 has been recorded as commission paid.
 - (2) Salary paid Rs. 2 000 has been completely omitted from books.
 - (3) The balance of the electricity bill account Rs. 4 000 has not been extracted to the Trial balance.
 - (4) A Purchases invoice Rs. 4 000 has been completely omitted from books.

Required

1. The journal entries to rectify above errors.
 2. Suspense account (04 marks)
- (Total 12 marks)

- (07) (i) (a) What is the objective of preparing a Trade account of a business.
 (b) Write the journal entry to record "Write off as bad debts Rs. 3 000 from debtors" (02 marks)
- (ii) (a) Write 02 characteristics of an asset
 (b) State 02 elements used to prepare the statement of financial position. (02 marks)
- (iii) The Trial balance of Ekamuthu Business as at 31.12.2018 is as follows.

Stock 2018/01/01	16 000	
Purchases	120 000	
Sales		220 000
Capital		212 000
Debtors	40 000	
Creditors		27 000
10% bank loan		50 000
Land - at cost	100 000	
Motor Vehicle - at cost	150 000	
Advertising	20 000	
Salary	14 000	
Rent	9 000	
Discount allowed	4 000	
Discount received		1 000
Cash in hand	35 000	
bank loan interest paid	2 000	
	510 000	510 000

additional information

- (1) The stock as at 31.12.2018 is Rs. 26 000
- (2) Write off as bad debts Rs. 2000 from debtors
- (3) Motor Vehicles are depreciated 10% per annum on cost.

Required

- (a) The profit or loss statement for the year ended 31.12.2018 (04 marks)
 - (b) The statement of financial position as at 31.12.2018 (04 marks)
- (Total 12 marks)


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Second Term Test - Grade 11 - 2019

Business & Accounting Studies - Answer

Paper - I

01. 3	11. 2	21. 3	31. 1
02. 1	12. 4	22. 4	32. 2
03. 3	13. 3	23. 2	33. 3
04. 1	14. 4	24. 4	34. 3
05. 4	15. 2	25. 4	35. 3
06. 2	16. 1	26. 3	36. 2
07. 4	17. 3	27. 4	37. 3
08. 3	18. 3	28. 2	38. 4
09. 3	19. 1	29. 4	39. 2
10. 3	20. 3	30. 2	40. 4

Paper - II

- (01) (i) (a) a. Service providing business (1/2 x 2 = 01 maks)
 b. Commodity manufacturing business
- (b) a. incorporated companies (01 marks)
- (ii) (a) Strengths - having an adequate capital
 having experienced employees
- (b) Yes
 Under the business name ordinance of relevant provincial council (1/2 x 2 = 01 marks)
- (iii) (a) Give marks for the correct answer (1/2 x 2 = 01 marks)
 (b) Sumal - retail Trade (1/2 x 2 = 01 marks)
 Alphine - wholesale Trade (1/2 x 2 = 01 marks)
- (iv) (a) decided to purchase new machiness next year
 (b) recruited employees
 (c) given a wrapping/ sales various fashions
 (d) given discounts/ given a wrapping
- (v) Assets = Equity + Liabilities
- | | | | | | | |
|------------|-----------|---|---------|---|---------|-------------|
| (1/2)Cash | 300 000 | = | 900 000 | + | 500 000 | |
| (1/2)Lorry | 600 000 | = | 600 000 | + | | |
| (1/2)Cash | 500 000 | = | | + | 500 000 | |
| | 1 400 000 | = | 900 000 | + | 500 000 | (Bank loan) |
- or
- 1 400 000 = 900 000 + 500 000 (Bank loan) (02 marks)
- (vi) Cash book, purchases journal, sales journal, general journal (1/2 x 2 = 4 maks)
- (vii) Purchases Account Dr. Rs. 25 000
 Creditors Account Cr. Rs. 25 000 (02 marks)
- (viii) Assets - cash Acc., debtors Acc., Motor Vehicle Acc., Equipment Acc.
 liability - bank loan Acc., creditors Acc.
 Equity - Capital Acc., Drawings Acc.
 Income - sales Acc.
 Expenses - Purchases Acc., Adverting Acc., Salary Acc. (02 marks)

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(ix)	1. cash drawings	Rs. 5 000	
	2. capital invested	Rs. 300 000	
	3. Advertising paid	Rs. 10 000	(1 x 2 = 2 marks)
(x)	Sales (50 000 + 150 000)	= 200 000	
	cost of sales (75 000 + 25 000)	= 100 000	
	Gross profit	= 100 000	

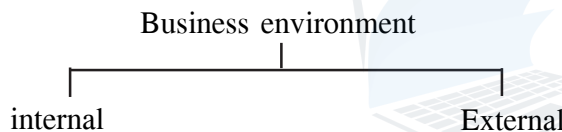
Expenses

Advertsing	10 000	} (1/2)	
Telephone	2 000		
rent	25 000		
salary	25 000		
loan interest	500	} (1/2)	
MV depreciation	5 000		
Net profit			<u>(67 500)</u> <u>32 500</u> (02 marks)

Part - I

(02) (i) (a) The factors within the business or outside the business affect the existence of a business either directly or indirectly.

(b)



(01 marks)

(ii) (a) True (b) False (c) True (d) False

(iii) (a) employees, customers, competitors, community, government

(b) give marks for the correct objective

(01 marks)

(iv) (a) Political environment

(b) 1. minimize the environmental pollution

(01 marks)

2. increase the tax income

(01 marks)

(03) (i) (a) business owned by an individual are known as sole proprietorship.

(01 marks)

(b) give marks for any corrected characteristic

(01 marks)

(ii) (a) Partnerships

(01 marks)

(b) commence under a written agreement

(01 marks)

(iii) (a) False (a) True (a) True (a) True

(1/2 x 4 = 02 marks)

(iv) (a) Fixed large scale retail Traders.

(01 marks)

(b) 1. Can do international transactions.

2. Can buy goods and service on credit basis.

3. Can obtain cash from the ATM.

4. Can obtain bonus marks & discounts

(01 marks)

(2 x 4 = 8 marks)

(1/2 x 4 = 2)

(04) (i) (a) The institutions providing various banking services under a license issued from the central bank of Sri Lanka. or

The institutions providing various banking services while maintaining current accounts.

(01 marks)

(b) 1. Services related to deposits

2. Services related to electronic cash

3. Services related to loans (01 marks)
- (ii) (a) Viber, Whatsapp, Skype, Imo (suitable answer) (01 marks)
- (b) Speed, cost, easy to use (01 marks)
- (iii) (a) True (b) False (c) False (d) True (1/2 x 4 = 2)
- (iv) 1. Determining the specific date
2. Determining how to lead the place and sales activities
3. Determining how to require the essential resources. (02 marks)
4. Determining how to allocate the relevant resources to all division (2 x 4 = 8 marks)

Part - II

- (05) (i) (a) owners, managers, creditors, employees, Government (1/2 x 2 = 1 marks)
- (b) - Received Rs. 5 000 from debtors
- Purchased stock Rs. 2 000 on cash
- purchased office equipment Rs. 5 000 (01 marks)
- (ii) (a) Cash account Dr. 150 000
- bank loan Acc. Cr. 150 000 (01 marks)
- (b) debtors Acc. (Nimal's) 6 000
- Sales Acc. Dr. 6 000 (01 marks)
- (iii) (a) 1. Stock purchased on credit Rs. 12 000
2. Paid bank loan installment Rs. 9 000 including the loan interest Rs. 1 000
3. Received Rs. 8 000 from a debtor worth Rs. 10 000 subject to Rs. 2 000 discount
4. Sold stock Rs. 7 500 on cash which cost Rs. 5 000 (1/2 x 4 = 2 marks)

- (b) 1. Opening equity = 107 000 (1/2)

assets		liabilities	
200 000	—	150 000	
20 000		31 000	
40 000			
28 000			
<u>288 000</u>	—	<u>181 000</u>	

2. A - Stock 27 000 + debtor 30 000 + cash 34 500 = 91 500 (1/2)

B - bank loan - Rs. 142 000 (1/2)

C - Equity - Rs. 106 500 (1/2) Purchases Journal

(1/2 x 4 = 2 marks)

(iv)

Date	inv. No.	Supplier	Total amount	LP	(1/2)
05/03	512	Ruwan business	3 000		(1/2)
05/15	818	Araliya business	3 500		(1/2)
05/31		debited to purchases Ac.	<u>6 500</u>		(1/2)

(02 marks)

Purchases Acc

Date	description	L/F	Amount	Date	description	L/F	Amount	(1/2)
05/31	Creditors		6 500					

Ruwan business

Date	description	L/F	Amount	Date	description	L/F	Amount	(1/2)
				05/03	Purchases		3 000	

Araliya business

Date	description	L/F	Amount	Date	description	L/F	Amount
				05/15	Purchases		3 500

(1/2)

- (06) (i) (a) Give marks for any correct reason (01 marks)
 (b) The list which is prepared at the end of the period by including all the debit and credit balances of ledger accounts is called as the Trial Balance. (01 marks)
- (ii) (a) Expense - Rs. 8 500 (01 marks)
 (b) The amount of reimbursement Rs. 13 500 (01 marks)
- (iii) (a) (i) The bank sends a statement to the current account holder stating the transactions done through the current account. (01 marks)
 (ii) Bank charges
 direct remittance
 payments on standing orders (01 marks)

(b) Adjusted bank account

b/b/f	24 500	Bank charges	750
remittance	2 000	b/c/f	25 750
	<u>26 500</u>		<u>26 500</u>
b/b/f	25 750		

(1/2)

Bank Reconciliation statement

The balance of the adjusted bank Acc.	(1/2)	25 750
+ Unpresented cheque	4 000	4 000
	(1/2)	29 750
- Unrealized cheque	3 000	3 000
- The balance of the bank statement		26 750

- (iv) General Journal

Suspense Account Dr. Commission paid Commission received (.....).	3 000	1 500 1 500	(1/2)
Salary Acc. cash book (.....).	2 000	2 000	(1/2)
Suspense (.....).		4 000	(1/2)
Purchases Acc. Creditors (.....).	4 000	4 000	(1/2)

(ලකුණු 02)

Suspense Acc.

(1/2)	b/b/f	1 000			
(1/2)	Commission received Cr.	1 500	4 000	(1/2)
(1/2)	Commission Paid Cr.	1 500			
		<u>4 000</u>		<u>4 000</u>	(04 marks)

- (07) (i) (a) Calculate the gross profit earned during the accounting period. (01 marks)
- (b) bad debts Acc. Dr. 3 000
- debtors Acc. Cr. 3 000 (01 marks)
- (ii) (a) Give a 01 mark to the corrected 02 items each.
- (b) assets, liabilities, equity (01 marks)
- (iii)

Ekamuthu business
Profit or loss Statement
for the year ended 31.12.2018 (1/2)

Sales		220 000	
(-) cost of sales			
opening stock	16 000		
(+) purchases	120 000		
cost of goods fobesold	136 000		
(-) colsing stock	(260 00)	110 000	(1/2)
Gross profit		110 000	(1/2)
(+) other income			
Discound received		1 000	(1/2)
		<u>111 000</u>	
(-) distribution cost			
bad debt (1/2)	2 000		
MV depreciation	15 000		(1/2)
Adcvertising	20 000		
Discount allowed	4 000	41 000	
(-) Administration expenses			
Salary	14 000		
rent	9 000	23 000	(1/2)
(-) financial expenses			
Loan interest	5 000	5 000	
Net profit transferd to C/A		<u>42 000</u>	(1/2)

Ekamuthu Business
The statement of financial position as at 31.12.2018 (1/2)

Non current Assets	Cost	Accu. dep.	C. Amount	
Land	100 000	- (1/2)	100 000	
Motor Vehicle	150 000	15 000	135 000	
	250 000	15 000	235 000	(1/2)
Current assets				
Stock		26 000		
debtors		38 000 (1/2)		
cash		35 000	99 000	
			334 000	
capital		212 000 (1/2)		
(+) net profit		42 000 (1/2)	254 000	
Non current liabilities				
bank loan		50 000	50 000	(1/2)
Current liabilities				
Creditors		27 000		
Accrued loan interest		3 000	30 000	(1/2)
			334 000	

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