

බස්නාහිර පළාත් අධ්‍යාපන දෙපාර්තමේන්තුව மேல் மாகாணக் கல்வித் திணைக்களம் Department of Education - Western Province			
වර්ෂ අවසාන ඇගයීම ஆண்டிறுதி மதிப்பீடு - 2020 Year End Evaluation			
ශ්‍රේණිය } தரம் } 11 Grade }	විෂය } பாடம் } Business and Accounting studies Subject }	පත්‍ර } வினாத்தாள் } I Paper }	කාලය } காலம் } 01 Hour Time }

- (i) Answer all the questions.
- (ii) Select the most appropriate answer from the given answers (1), (2), (3), (4) from question no. 01 to 40. Put (✖) mark on the relevant answer in front of the question number in the answer sheet provided.

- Answer questions from no. 01 to 04 using following case.
 - ★ Mrs. Arangala who has obtained a special training to produce organic fertilizer using modern technological methods, produces organic fertilizer using waste material. She is an owner of enough land, and produces organic fertilizer commercially. It is an advantage for her that the production house is being located in an area where farmers are engaged in growing flowers and vegetables.
- (01) According to the above case, Mrs. Arangala's business is,
- (1) A good manufacturing business.
 - (2) A service providing business.
 - (3) A partnership business.
 - (4) A non profit business.
- (02) A strength of Mrs. Arangala's business is,
- (1) Arangala has obtained a special training.
 - (2) Arangala has a target market.
 - (3) Having more waste material around the area.
 - (4) Having more farmers who are used to use organic fertilizer.
- (03) What is the factor of production that the organic fertilizer produced by Mrs. Arangala belongs to?
- (1) Land (2) Labour (3) Capital (4) Entrepreneurship
- (04) Select the correct statement relevant to the above case.
- (1) Arangala's business has a legal personality.
 - (2) Wasana is a partner of Arangala's business
 - (3) Farmers are not stakeholders of Arangala's business.
 - (4) It is a great opportunity to have farmers who are cultivating vegetables in this area.
- (05) Select the answer which correctly classifies business organizations based on the ownership.
- (1) Private sector business, Small and medium scale business
 - (2) Private sector business, Public sector business
 - (3) Public sector business, Large scale business
 - (4) Profit oriented business, Non-profit oriented business

- (06) One of the main objectives of a business is,
- (1) Generating employment opportunities.
 - (2) Increasing customer satisfaction.
 - (3) Protecting the quality of goods.
 - (4) Employee welfare.
- (07) What is the act that determines the minimum and maximum number of partners in a partnership business.
- (1) The partnership ordinance of 1890.
 - (2) No.06 of 1918 business name ordinance.
 - (3) Cooperative societies act no 05 of 1975.
 - (4) Company act no. 7 of 2007.
- (08) Mr.Saliya Jayasinghe is carrying out his business as "Saliya Stores". Select the correct statement regarding the registration of this business.
- (1) A legal personality will be received by registering this business.
 - (2) It is compulsory to register the name of this business.
 - (3) It is not compulsory to register the name of this business.
 - (4) This business should be registered under the company act.

Answer the question number 09 and 10 using following information.

There are some characteristics of business organizations.

- A - Unlimited liability
- B - Having an agreement
- C - Having a legal personality
- D - Democratic control
- E - Well-being of members
- F - No need to be registered

- (09) The characteristics of sole proprietorship business are,
- (1) A and B
 - (2) B and D
 - (3) A and F
 - (4) C and E
- (10) Characteristics of a business type in Sri Lanka which can be started with minimum number of 10 people are,
- (1) A and B
 - (2) C and D
 - (3) D and E
 - (4) B and F
- (11) What is the type of insurance in which the insured money can be obtained either damaged or not?
- (1) Fire insurance
 - (2) Theft and Burglary
 - (3) Marine Insurance
 - (4) Life Insurance
- (12) Select an electronic communication media out of the following.
- (1) Digital boards
 - (2) Workshops
 - (3) Meetings
 - (4) Discussions

(13) Select the element of transportation which belongs to the introduction of solar power systems to obtain power in driving vehicles.

- (1) Way (2) Medium (3) Power (4) Destination

(14) Following X column has management functions and Y column has activities relevant to the functions.

X	Y
I. Planning	A- Supervising the activities of employees by the marketing manager
II. Organizing	B- Deciding to increase sales by 10%
III. Leading	C- Checking the increasing percentage of sales
IV. Controlling	D- Recruiting trade assistants

When matching the management functions in column X, with the activities in column Y, in correct order, the answer is,

- (1) B, A, D, C (2) B, C, A, D (3) B, D, A, C (4) B, D, C, A

(15) Select the correct answer which shows the benefit received by an investor, investing money on ordinary shares and the benefits of investing money on a fixed deposit in the correct order.

- (1) Capital gain, Dividends (2) Interest, Capital gain
(3) Capital gain, Interest (4) Dividends, Interest

(16) Yamuna expects to invest her saving money in an effective method. Her expectations are as follows.

- To obtain a full security for her investment.
- To reduce the risk.
- To withdraw the invested money after 3 months.

What is the most preferred method to invest money according to her expectations?

- (1) Purchasing ordinary shares.
(2) Purchasing treasury bills.
(3) Purchasing a property.
(4) Depositing in a saving account.

(17) A business transaction is,

- (1) The information that can be measured in terms of money and cannot be measured in terms of money.
(2) The information that can be used to take decisions by shareholders.
(3) 'Purchasing' goods and services on cash.
(4) Exchanging of resources between business and other parties.

(18) What is the transaction that affects on all the elements of assets, equity and liability out of the following?

- (1) Owner withdrawing money Rs.5,000 for his personal use.
- (2) Paying Rs.15,000 for creditors.
- (3) Paying Rs.50,000 bank loan installment including Rs.6,000 bank loan interest.
- (4) Receiving Rs. 5,000 from debtors.

(19) Following are the values of the accounting equation in a business as at a particular date.

Asset	=	Equity	+	Liability
75,000		50,000		25,000

Select the accounting equation with correct values after receiving Rs.5,000 commission income .

Asset	=	Equity	+	Liability
(1) 80,000	=	50,000	+	30,000
(2) 75,000	=	50,000	+	25,000
(3) 80,000	=	55,000	+	25,000
(4) 70,000	=	50,000	+	20,000

(20) Types of the accounts and the items recorded in those accounts are given in X and Y columns respectively.

X	Y
I. Asset account	A- Discount allowed
II. Liability account	B- Sales
III. Equity account	C- Furniture
IV. Income account	D- Drawings
V. Expense account	E- Creditors

Select the correct combination of the accounts in X column with the items given in Y column in order.

- (1) C, E, D, A, B (2) C, E, B, D, A (3) C, E, D, B, A (4) C, E, B, A, D

(21) Select the correct double entry of recording Rs.60,000 cheques received to the business from debtors.

- | | |
|---------------------------------|---------------------------------|
| (1) Cash account (debit) 60,000 | (2) Bank account (debit) 60,000 |
| Debtor account (credit) 60,000 | Debtor account (credit) 60,000 |
| (2) Bank account (debit) 60,000 | (2) Bank account (debit) 60,000 |
| Cash account (credit) 60,000 | Bank account (credit) 60,000 |

- (22) Select the correct statement relevant to trade discounts.
- (1) Discounts are reduced when receiving money from debtors.
 - (2) Trade discounts are received only in selling goods on cash.
 - (3) Trade discounts are not recorded in accounts.
 - (4) Trade discounts are not recorded in discounts column of the cash book.
- (23) What is the correct entry of selling goods Rs.50,000 on credit.
- (1) Creditor account (debit) - Sales account (credit)
 - (2) Debtor account (debit) - Sales account (credit)
 - (3) Sales account (debit) - Debtor account (credit)
 - (4) Sales account (debit) - Cash account (credit)
- (24) Electricity expense Rs. 5,000 has been recorded correctly in the relevant prime entry book and erroneously debited to miscellaneous account. What is the double entry of rectifying this error?
- (1) Electricity expense account (debit) Rs. 5,000
Cash book (credit) Rs. 5,000
 - (2) Electricity expense account (debit) Rs. 5,000
Suspense account (credit) Rs. 5,000
 - (3) Electricity expense account (debit) Rs. 5,000
Miscellaneous account (credit) Rs. 5,000
 - (4) Miscellaneous account (debit) Rs. 5,000
Electricity expense account (credit) Rs. 5,000
- (25) The following information extracted from the books of Achini's business for the year end at 31.12.2019.
- ★ Capital Rs. 500,000 (01/01/2019)
 - ★ Sales income Rs. 100,000
 - ★ Commission income Rs. 25,000
 - ★ Expense relevant for the year Rs. 50,000
 - ★ Drawing Rs. 10,000
- The equity of Achini as at 31.12.2019 is,
- (1) Rs. 550,000 (2) Rs. 565,000 (3) Rs. 590,000 (4) Rs. 625,000
- (26) A machine has been purchased for the use of a business. Select the source of document and prime entry book relevant to this transaction in order.
- (1) Purchase invoice and Purchase journal (2) Voucher and Cash book
 - (3) Journal voucher and General journal (4) Purchase invoice and General journal

(27) The bank balance of a business was Rs.15,500 as at 01/01/2020. According to the bank statement, the balance was Rs.16,000. Select the transaction which caused to the difference.

- (1) The bank charges charged by the bank Rs.500.
- (2) The investment income directly received to the bank Rs.500.
- (3) The insurance premium charged by the bank on standing order of Rs.500.
- (4) Deposited but not realized cheque was of Rs. 500.

(28) The prime entry book which records the withdrawal of 10 loaves of bread by the owner of a bakery for personal use is,

- (1) General journal. (2) Purchase journal. (3) Sales journal. (4) Petty cash book.

Answer question 29 and 30 using following information.

- Jayabima Sports Club has 200 members. The annual membership fees per member is Rs.100. 20 members have not paid their annual membership fees by the end of the year, 31st December 2019.

(29) What is the membership fee that should be included in payment and receipt account for the year 2019.

- (1) Rs.22,000 (2) Rs.2,000 (3) රු. Rs.20,000 (4) Rs.18,000

(30) What is the correct membership fee that should be shown in the income statement prepared for the year ended by 31.12.2019

- (1) Rs.22,000 (2) Rs.18,000 (3) රු. Rs.20,000 (4) Rs.2,000

Answer the question no 31 and 32 using following information

- The total direct cost of a carpenter shop in Semini's business was Rs.58,000 for the month of January 2020. Production overhead cost was Rs.62,000. The productions are sold by keeping 20% profit margin on cost. (This business produced only 1000 wood tables for the month of January)

(31) According to the information of this business, the cost of a wood table is,

- (1) Rs. 5,800 (2) Rs. 6,200 (3) Rs. 620 (4) Rs. 1,200

(32) The selling price of a wood table is,

- (1) Rs. 1,440 (2) Rs. 1,200 (3) Rs. 1,400 (4) Rs. 1,250

Answer questions from no.33 to 40 using following information.

- The trail balance of Asanka's business as at 31.12.2019 is given below.

Description	Debit (Rs)	Credit (Rs)
Purchahse	450,000	
Sales		590,000
Building - at cost	300,000	
Equipment - at cost	50,000	
Building - provision for depreciation at 01/01/2019		30,000
Stock as at 01/01/2019	12,000	
Discount given	1,000	
Discount received		5,500
Insurance	5,500	
Advertisement	25,000	
15% Bank loan		50,000
Bank loan interest	7,500	
Debtors	18,000	
Creditors		23,000
Cash	29,500	
Capital as at 01/01/2019		200,000
	898,500	898,500

Additional information

- Closing stock was Rs. 12,000 as at 31.12.2019.
 - Rs. 2,000 should be written off as bad debts from debtors.
 - Building and equipment must be depreciated annually at 10% on cost.
- (33) The cost of sales for this business as at 31.12.2019 was,
- Rs. 450,000
 - Rs. 462,000
 - Rs. 140,000
 - Rs. 474,000
- (34) The gross profit of the business for the year ended by 31.12.2019 was,
- Rs. 590,000
 - Rs. 140,000
 - Rs. 450,000
 - Rs. 462,000
- (35) What is the total distribution expense that should be shown in profit or loss statement prepared by this business for the year ended by 31.12.2019 was,
- Rs. 55,000
 - Rs. 30,000
 - Rs. 28,000
 - Rs. 76,000

- (36) Select the answer which includes only the current assets of this business.
- (1) Debtors, Cash Balance, Building
 - (2) Debtors, Bank overdraft, Cash balance
 - (3) Closing stock, Delivery vehicle, Cash balance
 - (4) Debtors, Cash balance, Closing stock
- (37) What is the net profit of the profit or loss statement prepared by this business for the year ended by 31.12.2019?
- (1) Rs. 69,500
 - (2) Rs. 76,000
 - (3) Rs. 78,000
 - (4) Rs. 72,500
- (38) What is the bank loan interest that should be shown under financial expense of the year ended by 31.12.2019?
- (1) Rs. 7,000
 - (2) Rs. 7,500
 - (3) Rs. 5,000
 - (4) Rs. 5,500
- (39) What is the net value of non-current assets as at 31.12.2019?
- (1) Rs. 290,000
 - (2) Rs. 240,000
 - (3) Rs. 285,000
 - (4) Rs. 250,000
- (40) The Equity of the business as at 31.12.2019 was,
- (1) Rs. 269,500
 - (2) Rs. 200,000
 - (3) Rs. 254,500
 - (4) Rs. 224,500

<p>බස්නාහිර පළාත් අධ්‍යාපන දෙපාර්තමේන්තුව மேல் மாகாணக் கல்வித் திணைக்களம் Department of Education - Western Province</p>			
<p>වර්ෂ අවසාන ඇගයීම ஆண்டிறுதி மதிப்பீடு - 2020 Year End Evaluation</p>			
<p>ශ්‍රේණිය } 11 தரம் } Grade</p>	<p>විෂයය } Business and accounting studies பாடம் } Subject</p>	<p>පත්‍රය } II வினாத்தாள் } Paper</p>	<p>කාලය } 02 Hours காலம் } Time</p>

Instructions.

- Including the First question, answer five questions selecting two questions from each of Part I and Part II

❖ Answer the question (i) to ((x) using following information.

- (01) Asitha who studied in science stream has followed a 6 month local food processing course after completing A/L exam. Due to Covid - 19 pandemic situation, the interest of the people on local production has been increased. He started a business called "coco drink" which produces canned king coconut drink using king coconut which is inherited to Sri Lanka. There is a very good demand in the local market for canned king coconut drinks produced using safety methods.

The following balances shown in the business as at 1st January 2019.

	Rs.
Cash balance	120,0000
Equipment	300,000
Land and building	500,000
Debtors	50,000
Creditors	30,000

Following transactions occurred during the month of January 2019

	Rs.
★ Purchasing king coconut	100,000
★ Paid employee salary	20,000
★ Transportation expenses	7,000
★ Selling king coconut drink cans	200,000
★ Payable electricity expenses	3,000

Asitha expects to start exporting due to good demand in the local market for his king coconut production. He needs to expand the business for this purpose and Pathum Sanjeeewa who is one of his friends joined the business on 01/02/2019. Pathum is also very interested in the business and he invested his 3 acres land of king coconut cultivation.

This business depreciates land, building and equipment assets annually. No remain of

king coconut production at the end of the month.

- (i) (a) What is type of business organization that 'Coco Drinks' business belongs to as at 01/01/2019?
 - (b) What is the factor of production that the king coconut use for the production belongs to?
- (ii) Name two strengths of 'Coco Drinks' business according to the above case.
- (iii) (a) What is your idea on registering the "Coco Drink" business?
 - (b) What is the act relevant to register this business name?
- (iv) (a) Name two advantages of new business organization after joining Pathum Sanjeewa to the existing business.
 - (b) Name the type of account that should be opened to do transactions by cheques after expansion of the business.
- (v) What is the equity of "Coco Drinks" business as at 01/01/2019?
- (vi) What is the value of current liability of this business as at 31.01.2019?
- (vii) Indicate the relevant information under the accounting equation of this business as at 01/01/2019.
- (viii) (a) Calculate the cash balance of "Coco Drinks" business as at 31/01/2019.
 - (b) If the business depreciates non-current assets 12% annually at cost, calculate the total value of depreciation
- (ix) Record the above annual depreciation in general journal with narration.
- (x) Calculate the net profit of "Coco Drinks" business as at 31.01.2019

(2 × 10 = 20 marks)

Part I - Business studies

❖ **Answer two questions only.**

- (02) (i) (a) Define factors of production.
 - (b) Name two activities done by the entrepreneur.
- (ii) State whether following statements are true or false.
 - (a) Businesses always consider the customer preferences, income level and social status (.....)
 - (b) Entrepreneurship is anything that produced by man to facilitate manufacturing. (.....)
 - (c) Obtaining high quality products is the aim of suppliers. (.....)
 - (d) Political environment is the policies that guide the economic activities of a country. (.....)
- (iii) Chathurika started a business of selling school books in a place close to a school. Janaka has supplied books to the business. Due to the expansion of business; Bandara has been recruited as a manager and large number of school students are coming to buy books everyday.
 - (a) Name two ways of classifying the business environment according to the given case.
 - (b) Write two examples for each business environment you mentioned in (a) according to the given case.

- (iv) Prices of goods and services has been increased for a long time in Sri Lankan market.
- (a) What is the economic environmental factor called as continuously increasing general price level.
- (b) Explain foreign exchange rate as a factor of economic environment.
- (2 × 4 = 8 marks)
- (03) (i) (a) Define business organizations.
- (b) Name two ways of classifying business based on the objectives.
- (ii) State whether following statements are true or false.
- (a) Amount of capital, number of employees are few criteria used to classify business organizations based on the scale (.....)
- (b) Not having a continues existence is an advantage of a partnership business as well as in sole proprietorship business. (.....)
- (c) Cooperative societies are a public sector business. (.....)
- (d) A state cooperation is established under the special act or existing general act (.....)
- (iii) A trade is decided as a retail or whole sale depend on buyer's intention.
- (a) What is retail trade?
- (b) Write two characteristic of whole sale trade.
- (iv) Pathum Sanjeewa is a talented businessman succeeded in his business due to his courage. He does the business transactions through cheques after opening current account.
- (a) What is crossing a cheque?
- (b) Name two ways of crossing a cheque.
- (2 × 4 = 8 marks)
- (04) (i) (a) Introduce the marketing mix.
- (b) What is target market?
- (ii) State whether following statements are true or false.
- (a) Destination is an element of transportation (.....)
- (b) Insurance obtained to cover the risk of building, machinery, motor vehicle and stock is called assurance. (.....)
- (c) CEY NET teller card (ATM) is issued by Sampath Bank. (.....)
- (d) The fixed deposits interest can be obtained monthly or afer matured. (.....)
- (iii) Lalani is a famous business woman. She started "Lalani Beauty Salon" on 10/01/2018. She has decided her business objectives properly and very eagerly in determining the activities to achieve those business objectives. She has led her employees to achieve objectives by providing correct instructions and leadership.
- (a) Name two managerial functions that can be identified in Lalani's business.
- (b) Write examples for the managerial functions you have mentioned in the above (a).
- (iv) Investment has a special place in achieving economic development.
- (a) Explain the "share" issued by a company.
- (b) Name two benefits of purchasing treasury bills.
- (2 × 4 = 8 marks)

Part II - Accounting

❖ Answer two questions only

- (05) (i) (a) What is the aim of accounting? (02 marks)
 (b) Write two characteristics of a liability. (02 marks)
- (ii) Following shows the transactions occurred in Danansooriya's business during the first week of the month of January.
- (a) obtaining a bank loan Rs. 50,000
 - (b) Owner withdrawing money Rs. 8,000 from the business to his personal use
 - (c) Purchasing furniture Rs. 30,000 for the use of business
 - (d) Purchasing goods Rs. 15,000
 - (e) Selling goods on cash, including Rs. 1,000 profit. Cost was Rs. 4,000

Required,

- (a) Show the effect of each of the above transactions on accounting equation.
 (use the below format to provide the answers)

Transaction	Asset			Equity	Liability	
	Furniture	Stock	Cash		Bank Loan	Creditor
1/1 balance	60,000	12000	200000	262000		10000
1			+50,000		+50,000	
2						

(03 marks)

- (b) What is the total amount of asset of Dannansooriya's business at the end of the first week? (01 marks)
- (iii) Following shows the transactions for the month of March in Dammika's business.

Date	Invoice No	Supplier	Net value of invoice Rs.
3/5	130	Gayan	11,000
3/12	215	Asanka	8,750
3/20	300	Ruwan	3,250

Required,

- (a) Prepare the purchase journal for the month of March.
 (b) Prepare relevant ledger accounts. (04 marks)
- (Total Marks 12)

- (06) (i) a) Name two prime entry books maintained by a business.
 b) Cash book performs two functions. Name those two functions. (02 marks)
- (ii) Following shows the information of petty cash book of Prabhani's business for the month of January 2020.

Petty cash impress of the month is Rs. 2,000. Cash in hand is Rs. 150 as at 31.12.2019
Petty cash expense of the month are as follows.

1/5	Postal Charges	Rs. 80
1/12	Carriage inwards	Rs.400
1/16	Registered fees	Rs.120
1/20	Purchase of office chairs	Rs.900
1/25	Refreshment expense	Rs.200
1/30	Sundry expense	Rs.200

Required,

1. Reimbursement by the main cashier as at 01/01/2020.
2. What is the total value of expenses of the "ledger account" column as at 31.01.2020. (02 marks)

(iii) Bank balance of Uditha's business as at 01.06.2020 was Rs.60,000. Following transactions are made with the current account during the month of June.

Deposits

6/2	Cash	Rs. 18,000
6/12	Cheque deposit	Rs. 20,000
6/25	Cheque deposit	Rs.16,000

Cheque issues

6/4	To creditor Sandamali	Rs. 8,000
6/12	Paid salary	Rs.12,000
6/18	Electricity charges	Rs. 6,000
6/27	Purchase	Rs. 26,000

Record the above transactions in the bank account and balance off it (04 marks)

(iv) Following shows the bank account and bank statement of Ruwan's business for the month of January.

Ruwan's business

Bank account for the month of January 2020

1/1	Balance b/f	15000	1/2	Lalith (30)	5000
1/5	Cash(cheq no 40)	4000	1/4	Piyal (31)	2000
1/15	Cash(cheq no 75)	2500	1/6	Saman (32)	3000
1/20	Cash(cheq no 45)	3200	1/10	Kamal (33)	8000
1/29	Cash(cheq no 48)	1300	1/25	Nimal salary (34)	4000
1/30	Cash(cheq no 34)	4800	1/31	Balance c/d	8800
		30800			30800

Bank Statment

Date	Description	Debit	Credit	Balance
1/1	Balance b/f			15000
1/4	Cheque no 30 Lalith	5000		10000
1/7	Cheque deposit (40)		4000	14000
1/17	Cheque deposit (75)		2500	16500
1/18	Cheque no 31 Piyal	2000		14500
1/20	Cheque no 32 Sanan	3000		11500
1/22	Cheque deposit (40)		3200	14700
1/23	Bank Charges	700		14000
1/24	Rent	4000		10000
1/26	Janaka		10000	20000

Required,

1. Bank account adjusted as at 31/01/2020.
2. Prepare bank reconciliation statement as at 31/01/2020. (04 marks)
(Total 12 marks)

- (07) (i) (a) Name two steps of calculating profit or operational results of a business by preparing profit or loss account.
- (b) Write the double entry of recording bad debts. (02 marks)
- (ii) The information of children chairs manufacturing business for the month of January 2019 is given below.
- ★ Production units 100
 - ★ Direct expense Rs. 40000
 - ★ Transportation cost per unit Rs. 5000
 - ★ Production cost per unit Rs. 500
 - ★ Keeps 25% profit margin on cost, when deciding the selling price.

Required,

- (a) Total production overhead cost for the month of January 2019.
- (b) Selling price per unit. (02 marks)

(iii) The trail balance of Chandani's business as at 31.12.2019 is given bellow

Description	Debit (Rs)	Credit Rs.
Land and building	500000	
Machine (at cost)	300000	
Provision for depreciation - Machine (2019/01/10)		30000
Stock 01/01/2019	50000	
Sales		400000
Purchase	120000	
Discount received		3000
Discount given	2000	
Carriages inwards	6000	
10% Bank Loan		120000
Salary and wages	8000	
Debtors	15000	
Creditors		12000
Advertising expense	4000	
Loading expense	2000	
Bank loan interest	6000	
Electricity charges	5000	
Rates and insurance	3000	
Capital		465000
Cash balance	9000	
	1030,000	1030,000

- Additional information
 - ★ Closing stock as at 31/12/2019 was Rs.35000.
 - ★ The machines are depreciated on straight line method at 10% on cost.
 - ★ Written off 10% as bad debts from the debtors.

Required

- (a) Profit or loss statement for the year ended 31/12/2019. (04 marks)
- (b) Statement of financial position as at 31/12/2019. (04 marks)
- (Total 12 marks)

බස්නාහිර පළාත් අධ්‍යාපන දෙපාර්තමේන්තුව Western Province Education Department බස්නාහිර පළාත් අධ්‍යාපන දෙපාර්තමේන්තුව Western Province Education Department	බස්නාහිර පළාත් අධ්‍යාපන දෙපාර්තමේන්තුව මேல் மாகாணக் கல்வித் திணைக்களம் Department of Education - Western Province	පළාත් අධ්‍යාපන දෙපාර්තමේන්තුව Western Province Education Department පළාත් අධ්‍යාපන දෙපාර්තමේන්තුව Western Province Education Department
වර්ෂ අවසාන ඇගයීම ஆண்டுறுதி மதிப்பீடு - 2020 Year End Evaluation		
පිළිතුරු පත්‍රය Marking Scheme		
ශ්‍රේණිය } 11 தரம் } Grade }	විෂයය } பாடம் } Business and accounting studies Subject }	පත්‍රය } வினாத்தாள் } I,II Paper }

Business and Accounting Studies I

(1) 1	(11) 4	(21) 1	(31) 4
(2) 1	(12) 1	(22) 3	(32) 1
(3) 3	(13) 3	(23) 2	(33) 1
(4) 4	(14) 3	(24) 3	(34) 2
(5) 2	(15) 4	(25) 2	(35) 3
(6) 2	(16) 2	(26) 3	(36) 4
(7) 4	(17) 4	(27) 2	(37) 1
(8) 2	(18) 3	(28) 1	(38) 2
(9) 3	(19) 3	(29) 4	(39) 3
(10) 3	(20) 3	(30) 3	(40) 1

(Total Marks 1 × 40 = 40)

Business and Accounting Studies II

- (01) (i) (a) Sole proprietorship business (1 mark)
- (b) Land (1 mark)
- (ii) ★ Has been followed a 6 month food processing course
- ★ Has been recruited a partner who is interested in the business (2 mark)
- (iii) (a) It has to be registered when conducting the business without owners name (1 mark)
- (b) Number 6 of Business Name Ordinance 1918 (1 mark)
- (iv) (a) ★ can raise more capital
- ★ can utilize different skills of partner
- ★ can take collective decisions
- ★ shared liability among partner
- } any of two 1 marks
- (b) current account (1 mark)
- (v) Rs. 2020,000 (2 marks)
- (vi) Rs.33000/- (2 marks)
- (vii) Asset = Equity + Liability (2 marks)
- 2050,000 2020,000 + 30,000

(viii) (a)

Cash book

Balance	1200000	Purchase	100000	
Sales	200000	Salary	20000	
		Transportation	7000	
		Balance c/d	1273000	
	<u>1400000</u>		<u>1400000</u>	(1 mark)

(b) Rs. 8000

(1 mark)

General journal

(ix)	Date	v/n	Description	L/p	Debit	Credit
	1/31		Equipment depreciation account dr Accumulated equipment depreciation cr (Recording annual depreciation in the accounts) (1 mark)		3000	3000
			Land and building depreciation account dr Accumulated land & building depreciation account cr (Recording annual land & building depreciation in the accounts) (1 mark)		5000	5000

(x) Calculate the profit

Sales		200000
(-)		
Purchase	100000	
Salary	20000	
Transport	7000	
Electricity	3000	
Depreciation	8000	(138000)
Net Profit		62000

(2 marks2)

(Total marks 2 x 10 = 20)

Part I - Business studies

- 02) (i) (a) The various resources required to produce goods and service are known as factors of production. (1 mark)
(b) Takes the risk, Creates innovation and taking decisions (1 mark)
- (ii) (a) True (b) False (c) False (e) True (2 marks)
- (iii) (a) Internal environment, external environment (1 mark)
(b) Internal environment - owner (chathurika), Manager (Bandara)
External environment - supplier (Janaka)
School students - customers (1 mark)
- (iv) (a) Inflation (1 mark)
(b) The rate at which the currency of one country is exchanged with the currency of another country (1 mark)
- (Total 08 marks)
-
- (03) (i) (a) Business organization is consist of an individual or a group of individual working together to produce goods and services required to fulfil human needs and wants (1 mark)
(b) Profit oriented business, nonprofit oriented business (1 mark)
- (ii) (a) True (b) False (c) False (d) True (2 marks)
- (iii) (a) Selling goods and services for final consumption (1 mark)
(b) Purchasing goods for the purpose of reselling
Selling large quantities of goods in one transaction
Unit selling price is relatively low
Providing trade discounts } two factors - 1 mark
- (iv) (a) Drawing two parallel lines on the face of a cheque (1 mark)
(b) ★ General crossing
★ Special crossing (1 mark)
- (Total 08 marks)
-
- (04) (i) (a) Marketing mix is a set of variables used to achieve marketing objectives of a business within a target market. (1 mark)
(b) The share of market consists of consumers that a business can satisfy in a more attractive and profitable way is the target market. (1 mark)
- (ii) (a) True (b) False (c) False (d) True (2 marks)
- (iii) (a) ● Planing
● Leading (1 mark)
(b) ● Planning - determining the objectives of the business, determining the activities to achieve those objectives
● Leading - Giving required information to employees (1 mark)

(iv) (a) The capital of a company could be divided into equal portions and one such portion is known as a share (1 mark)

(b) ability to earn fixed rate of interest
ability to convert into cash at anytime
a full guarantee from the government } 1 mark for two factors (1 mark)
(Total 08 marks)

Part II - Accounting

(05) (i) (a) To provide useful information to interested parties of a business (2 mark)
(b) Arouse as a result of a past transaction, having a current obligation, outflow of economic resources when settlement is made (2 mark)

(ii) (a)

Transaction	Asset			Equity	Liability	
	Furniture	Stock	Cash		Bank loan	Creditor
1/1 balance	60,000	12000	200000	262000	-	10,000
(1)			+50,000			+ 5000
(2)		½	-8000	-8000		
(3)	+30,000		-30,000			
(4)		+ 15000½	-15000½			
(5)		-4000½	+5000½	+1000½		

(3 marks)

(b) Furniture - 90,000
Stock - 23,000
Cash - 202,000
Total cash - 315,000

(1 mark)

(iii) Purchase account

Date	I/N	Supplier	Value	Ledger Page
3/5	350	Gayan ½	11000	
3/12	215	Asanka ½	8750	
3/20	300	Ruwna ½	3250	
3/31		Debited to purchase accounts	23000	

(2 marks)

Purchase account

Date	Description	l/f	Value	Date	Description	l/f	Value
3/31	Creditors		23000 ½				

Gayan account

Date	Description	l/f	Value	Date	Description	l/f	Value
				3/5	Purchase ½		11000

Asanka account

Date	Description	l/f	Value	Date	Description	l/f	Value
				3/12	Purchase ½		8750

Ruwan account

Date	Description	l/f	Value	Date	Description	l/f	Value
				3/20	Purchase ½		3250

(Total 12 marks)

- (06) (i) (a) Cash book
 Petty cash book
 Bank account
 Purchase journal
 Sales journal
 General journal
 } any two of them (1 mark)
 (1 mark)
- (b) perform as a prime entry book and perform as a ledger account (1 mark)

- (ii) (a) Reimbursement amount Rs. 1,850 (1 mark)
 (b) Rs. 1300 (1 mark)

(iii) Bank account

Date	R/ N	Description	L/ P	Value Rs.	Date	V/ N	Description	L/ P	Value Rs.
6/1		Balance b/f ½		60,000	6/4		Sandamali		8000
6/2		Cash		18,000	6/12		Salary Payments ½		12000
6/12		Cash (cheq) ½		20,000	6/18		Electricity ½		6000
6/25		Cash (cheq) ½		16,000	6/27		Purchase ½		26,000
					6/30		Balance c/d ½		62,000
				½ 114000					114000

(4 marks)

(iv) Bank Account (adjusted)

Date	Description	l/ f	Value	Date	Description	l/ f	Value Rs.
1/31	Balance b/f ½		88,00		Bank charges ½		700
	Kamal ½		10,000		Rent ½		4000
				1/31	Balance b/f ½		14100
			18,800				18,800
2/1	Balance b/f ½		14,100				

Bank Reconciliation statement

1/31	Adjust bank account balance	$\frac{1}{2}$	14100
	Issued but not yet presented		
	Cheque - 33	8000	
	Cheque - 34	4000 $\frac{1}{2}$	12000
			26100
	Less		
	Unrealized cheque		
	Cheque - 48	1300	
	Cheque - 34	4800	(6100) $\frac{1}{2}$
1/31	Balance as per the bank		20,000 $\frac{1}{2}$

(4 mark)

(Total 12 marks)

- (07) (i) (a) • Gross Profit • Net Profit (1 mark)
 (b) • Bad debts account debit • Debtor account credit (1 mark)
 (ii) (a) Rs. 10000 (1 mark)
 (b) Rs. 625 (1 mark)

(iii)

Chandani's Business
 Profit or loss account
 for the year ended 31st December 2019 } $\frac{1}{2}$

Sales			400000
<u>(-) cost of sales</u>			
Opening stock		50000	
+ Purchase		120000	
Loading expenses		2000	2000
carriage inwards		6000	
		178000	
<u>(-) closing stock</u>		(35000) $\frac{1}{2}$	
cost of sale			(143000) $\frac{1}{2}$
gross profit			257000 $\frac{1}{2}$
+ income - discount received			3000
<u>(-) expenses</u>			260,000
<u>distribution expenses</u>			
bad debts	1500 $\frac{1}{2}$		
discount given	2000		
advertisement	4000	7500	
<u>administrative expenses</u>	30000 $\frac{1}{2}$		
machinery depreciation	8000		
salary and wages	5000		
electricity	3000		
rent and rate		46000	
<u>financial expenses</u>	12000		
loan interest		12000 $\frac{1}{2}$	(65500) $\frac{1}{2}$
the capital account			194500

Chandani's business
Statement of financial position
as at 31st December 2019

} ^{1/2}

Non current asset	cost	Accu.depr eciation	Net value
Land and building	500000	-	500000
Machinery	300000	60000½	240000
	800000	60000	740000½
<u>Current asset</u>			
Closing stock		35000½	
Debtors		13500½	
Cash		9000	57500
Total asset			797500½
<u>Equity and liability</u>			
Capital		465000	
(+) Net profit		194500½	659500
<u>Non current liability</u>			
Bank loan			120000
<u>Current liability</u>			
Accrued loan interest	6000½		
Creditors	12000		18000
Total equity and liability			797500

(8 marks)

(Total 12 marks)

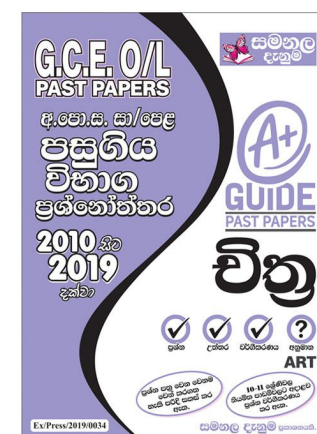
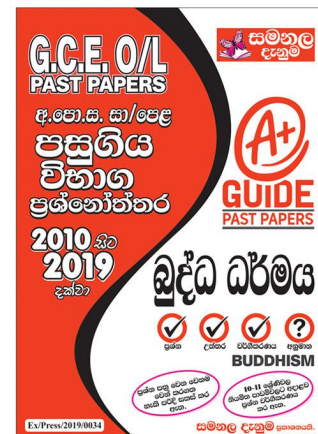
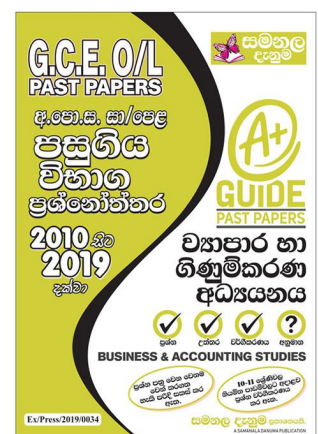
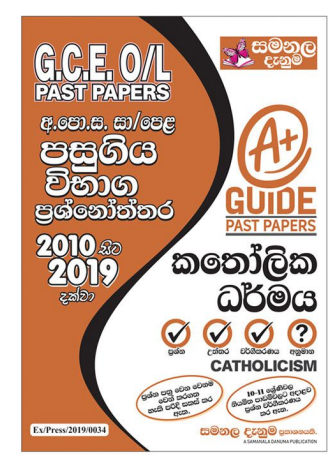
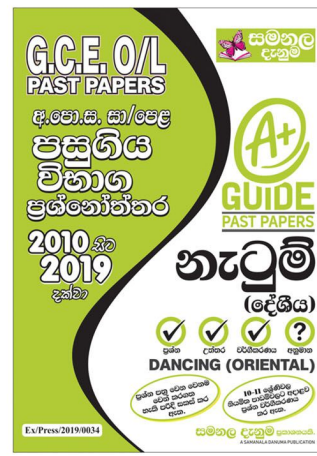
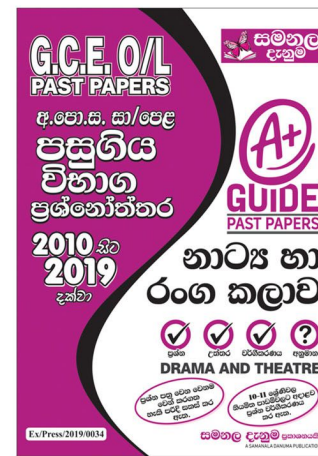
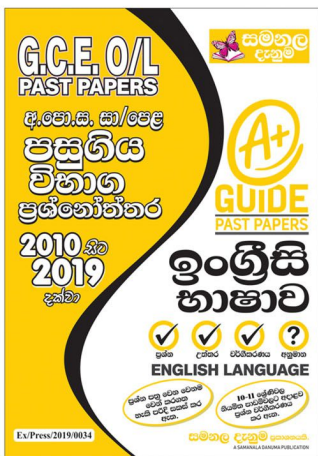
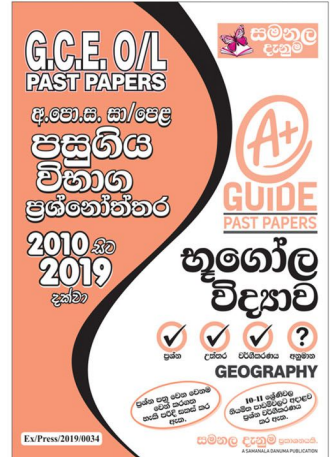
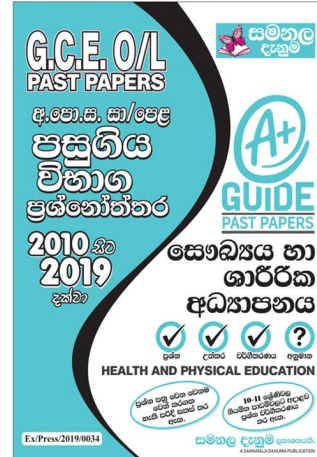
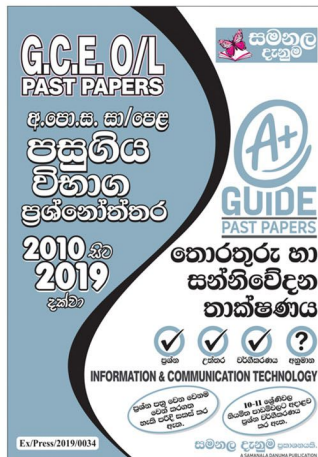
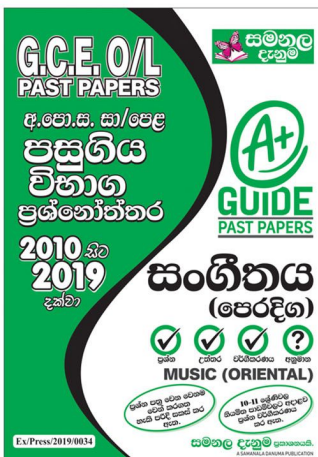
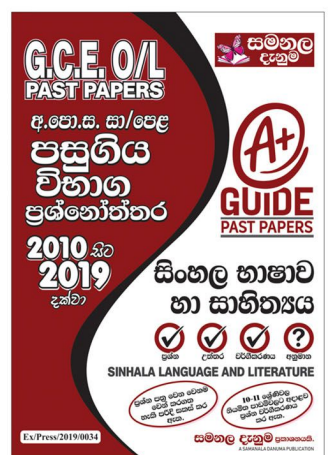
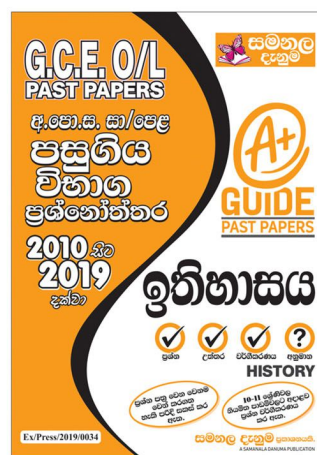
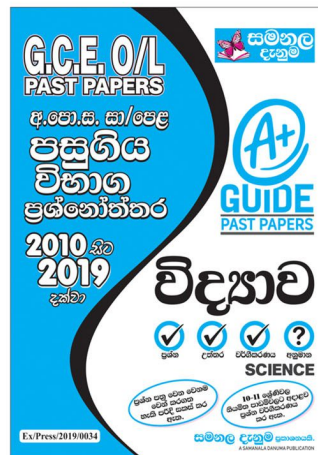
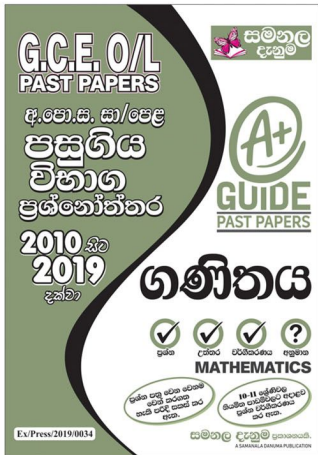
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