

ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව
 இலங்கைப் பரீட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம்
 Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka
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අධ්‍යයන පොදු සහතික පත්‍ර (සාමාන්‍ය පෙළ) විභාගය, 2018 දෙසැම්බර්
 கல்விப் பொதுத் தராதரப் பத்திர (சாதாரண தர)ப் பரீட்சை, 2018 டிசெம்பர்
 General Certificate of Education (Ord. Level) Examination, December 2018

ව්‍යාපාර හා ගිණුම්කරණ අධ්‍යයනය I, II
 வணிகக் கல்வியும் கணக்கீடும் I, II
Business and Accounting Studies I, II

12.12.2018 / 0830 - 1140

පැය තුනයි
 மூன்று மணித்தியாலம்
Three hours

අමතර කියවීමේ කාලය - මිනිත්තු 10 යි
 மேலதிக வாசிப்பு நேரம் - 10 நிமிடங்கள்
Additional Reading Time - 10 minutes

Use **additional reading time** to go through the question paper, select the questions and decide on the questions that you give priority in answering.

Business and Accounting Studies I

Note :

- (i) Answer all questions.
- (ii) In each of the questions 1 to 40, pick one of the alternatives (1), (2), (3), (4) which is correct or most appropriate.
- (iii) Mark a cross (X) on the number corresponding to your choice in the answer sheet provided.
- (iv) Further instructions are given on the back of the answer sheet. Follow them carefully.

- Answer the questions No. 1 to 5 paying attention to the following case.
 Samadhi, who is currently working at Ravimal Company and the best performer at the G.C.E. (A/L) 2017 in Nelumwila Maha Vidyalaya of which new laboratory and buildings were developed by the concept of 'The nearest school is the best', received a letter from University Grant Commission mentioning that she has been selected to the University.
- 1. What is the basic human need satisfied by the Nelumwila Maha Vidyalaya in this case?
 (1) Health (2) Housing (3) Security (4) Education
- 2. What type of business organization does the University Grant Commission in this case belong to?
 (1) State Cooperations (2) State Departments
 (3) State Companies (4) Incorporated Companies
- 3. Select the correct statement regarding the above case.
 (1) The concept, 'The nearest school is the Best' is an economic environmental factor.
 (2) Buildings of the school belong to the production factor of land.
 (3) University Grant Commission is a service providing business.
 (4) Students of Nelumwila Maha Vidyalaya are an external environmental factor of that school.
- 4. Select the answer which shows the sender, the message, the medium and the receiver related to the communication in the above case in correct order.
 (1) Samadhi → Samadhi has been selected to the university → Written → University Grant Commission
 (2) Samadhi → Written → Samadhi has been selected to the university → University Grant Commission
 (3) University Grant Commission → Samadhi has been selected to the university → Written → Samadhi
 (4) University Grant Commission → Written → Samadhi has been selected to the university → Samadhi
- 5. Select the correct statement about the Ravimal Company in the above case.
 (1) Registration of the name of this business is compulsory.
 (2) This business has a legal entity.
 (3) The liability of the owner of this business is limited.
 (4) This business is a public sector business.

[see page two

6. What is the factor of production that a business which is conducted successfully by a farmer, bearing the loss occurred in floods belongs to?
 (1) Land (2) Labour (3) Capital (4) Entrepreneurship
7. Increase in the value of the American dollar relative to the value of Sri Lankan rupee, for a garment exporting company is
 (1) an internal environmental factor. (2) an economic environmental factor.
 (3) a legal environmental factor. (4) a technological environmental factor.

● Answer the questions No. 8 and 9 using the following case.

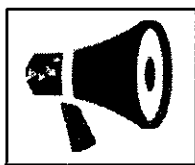
Subash Kavirathna who has a current account at Bank of Ceylon issued a cheque of Rs.100 000 to a client, Deepal Samaradivakare, and Deepal Samaradivakare has encash it at the bank counter.

8. Select the answer which shows the drawee and payee of the cheque respectively.
 (1) Bank of Ceylon and Deepal Samaradivakare
 (2) Deepal Samaradivakare and Bank of Ceylon
 (3) Bank of Ceylon and Subash Kavirathne
 (4) Subash Kavirathne and Deepal Samaradivakare
9. The cheque issued in the above case
 (1) has a general crossing.
 (2) has a special crossing.
 (3) hasn't a crossing.
 (4) cannot be deposited in a bank current account.
10. While the first party of insurance is known as^①....., the second party is known as^②.....

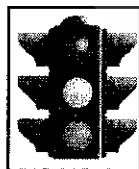
Select the answer that shows the suitable terms to ^① and ^② in the above statement respectively.

- (1) insurer, insured. (2) insured, insurer.
 (3) insurance company, insured. (4) insurer, insurance company.

11. What is the non-electronic signs communication method from the following pictures?



(1)



(2)



(3)



(4)

12. Several incidents related to the transportation and elements of transportation are given in column X and Y respectively.

X	Y
1. Island wide expansion of 1990 ambulance service	A – Way
2. Commencing the constructions of Northern Express-way	B – Mode
3. Renovation of central bus stand in Pettah	C – Power
4. Adjusting the oil prices based on the crude oil price in world market.	D – Terminal

Select the answer in which the above incidents in column X have been matched with the elements of transportation in column Y in correct order.

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

[see page three

- Answer the questions No. 13 and 14 using the following case.

A publisher decided to reserve his exhibition stall behind the main entrance of Colombo International Book fair and recruited an employee for it.

13. Two management functions in the above case are
 (1) planning and leading. (2) planning and organizing.
 (3) organizing and controlling. (4) leading and organizing.
14. Two variables of marketing mix mentioned in the above case are
 (1) promotion and product. (2) promotion and place.
 (3) product and place. (4) product and price.
15. Select the **incorrect** statement regarding treasury bills.
 (1) An investor can purchase treasury bills from primary dealers.
 (2) Treasury bills are a risk free investment.
 (3) Treasury bills used to fulfil the long term financing requirement of the government.
 (4) Treasury bills have an absolute government security.
16. An investor expects high returns by investing in ordinary shares than investing in treasury bills. The reason for this is
 (1) low risk of ordinary shares. (2) high risk of ordinary shares.
 (3) high interest income of ordinary shares. (4) high government security of ordinary shares.
17. Select the answer which shows the basic accounting equation correctly.
 (1) Assets + Liability = Equity (2) Assets - Liability = Equity
 (3) Assets + Equity = Liability (4) Equity - Liability = Assets
18. Because of paying employee salaries of Rs. 8000 in a business
 (1) assets decrease by Rs.8000 and equity decreases by Rs.8000
 (2) assets decrease by Rs.8000 and equity increases by Rs.8000
 (3) assets increase by Rs.8000 and liabilities increase by Rs.8000
 (4) equity decreases by Rs.8000 and liabilities increase by Rs.8000
19. The equity of Kasun's business as at 01.01.2018 was Rs.150000, while equity as at 31.01.2018 was Rs.170000. If only one transaction occurred during that period, the transaction is
 (1) employing the capital of Rs.170000.
 (2) obtaining goods of Rs.20000 by the owner for his personal use.
 (3) selling a stock of goods for Rs.40000 on credit which cost Rs.60000.
 (4) selling a stock of goods for Rs.60000 in cash which cost Rs.40000.
20. A transaction occurred in a business and the incomplete double entry used to record it are given below.
- Receiving of Rs.22000 in cash from a debtor to paid off the balance of Rs.25000.

	Rs.	
Cash account	Dr.	22 000
①	account Dr.	----- ②
Debtors account	Cr.	----- ③

Select the answer that shows the correct terms for above ①, ② and ③ in correct order.

- (1) Discounts allowed, Rs.3000 and Rs.25000
- (2) Discounts received, Rs.3000 and Rs.25000
- (3) Discounts allowed, Rs.3000 and Rs.22000
- (4) Discounts received, Rs.3000 and Rs.22000

[see page four

21. Select the correct statement from the following related to the principle of double entry.

The principle of double entry,

- (1) increases debit decreases credit is relevant to the liabilities accounts.
- (2) increases debit decreases credit is relevant to the equity accounts.
- (3) increases credit decreases debit is relevant to the income accounts.
- (4) increases credit decreases debit is relevant to the assets accounts.

● Use the following information to answer the questions No. 22 and 23.

Some transactions occurred in Pasindu Book Publishers are as follows.

- A - Purchasing a printing machine of Rs.250 000 on credit
- B - Purchasing printing papers of Rs.50 000 from Ruwan on credit
- C - Purchasing furniture of Rs.100 000 from Moratu Furniture Company on credit
- D - Selling a stock of books for Rs.160 000 on credit which cost Rs.100 000

22. The transaction recorded in purchases journal is

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

23. Select the answer that shows the source documents for above A, B and D transactions in correct order.

- (1) Journal voucher, Sales invoice and Purchase invoice
- (2) Journal voucher, Purchase invoice and Sales invoice
- (3) Payment voucher, Purchase invoice and Sales invoice
- (4) Purchase invoice, Journal voucher and Sales invoice

24. The credit balance of the bank statement of Kapila's business for the month of October 2018 was Rs.12 000. This is

- (1) an asset of the business.
- (2) a liability of the business.
- (3) an asset of the bank.
- (4) a bank overdraft of the business.

● Answer the questions No. 25 and 26 using the following information.

The petty cash balance with petty cashier of Sandun's business as at 31.07.2018 was Rs.2 500.

Following are the balances of analysis columns of petty cash book for the month of July 2018.

Stationery	Rs.2 500
Travelling expenses	Rs.1 800
Refreshment expenses	Rs.2 000
Miscellaneous expenses	Rs.1 200

Sandun decided to increase the value of the petty cash imprest up to Rs.15 000 from 01.08.2018.

25. The value of the petty cash expenses for the month of July 2018 in this business is

- (1) Rs.2 500.
- (2) Rs.7 500.
- (3) Rs.10 000.
- (4) Rs.15 000.

26. The value of the petty cash reimbursement as at 01.08.2018 is

- (1) Rs.2 500.
- (2) Rs.5 000.
- (3) Rs.12 500.
- (4) Rs.15 000.

27. Select the answer which shows the source document and prime entry book used in recording the employing of additional capital of Rs. 5 000 by the owner in correct order.

- (1) Cash book and receipt.
- (2) General journal and receipt.
- (3) Receipt and general journal.
- (4) Receipt and cash book.

28. Total of the debit column was Rs.800 000 and the credit column was Rs.825 000 in a trial balance prepared as at 31.03.2018 in a business. An accounting error caused to this difference is

- (1) increasing the total of discounts allowed account by Rs.25 000.
- (2) increasing the total of sales account by Rs.25 000.
- (3) increasing the total of purchases account by Rs.25 000.
- (4) decreasing the total of discounts received account by Rs.25 000.

[see page five

29. The stock of Rs.45 000 purchased by a business from Sumanadasa on credit has been recorded in Sumanadasa's account as Rs.54 000. The prime entry book to rectify this error is
- (1) general journal. (2) purchases journal.
(3) cash book. (4) sales journal
30. From the following transactions of Sesatha's sports Club, the one which is **not** included in the income and expenditure account is
- (1) receipts of Rs. 1 000 from selling news papers.
(2) purchasing sports equipment of Rs.15 000.
(3) donations received of Rs.5 000.
(4) paid transportation expenses of Rs.2 500.
31. Total production cost of a business which produced flower pots for the month of October 2018 was Rs.150 000, while the number of flower pots produced during the month was 500. If 20% profit margin is kept on production cost of a flower pot, the selling price of a flower pot is
- (1) Rs.240. (2) Rs.300. (3) Rs.360. (4) Rs.500.
32. Some expenditure items of production businesses and some elements of production cost are given in column X and Y respectively.

X	Y
1. Electricity expense of a roof tile production business	A – Indirect labour cost
2. Wages of dress makers of a garment factory	B – Direct other cost
3. Wage of the watcher of a foot ware production business.	C – Direct labour cost
4. Royalty of a book publisher.	D – Indirect other cost

What is the answer when the above expenditure items in column X are matched with the elements of production cost in column Y in correct order?

- (1) B, A, C and D (2) B, C, A and D (3) D, C, A and B (4) D, C, B and A
33. Kumudu invested Rs.100 000 earned from her business on 01.04.2017 in a fixed deposit at a 12% annual interest rate. The annual interest is to be received on 31.03.2018. According to the financial statements of this business prepared for the year ended 31.12.2017,
- (1) interest income in income statement is Rs.12 000.
(2) interest income receivable in Financial position statement is Rs.12 000.
(3) interest income receivable in financial position statement is Rs.9 000.
(4) interest income receivable in financial position statement is Rs.3 000.
34. A business has purchased a machine of Rs.500 000 on 01.01.2016. The effective life time of the machine is 5 years. At the end of the life time, the scrap value of the machine is Rs.50 000. The amount of the depreciation of the machine shown in income statement of the business prepared for the year ended 31.12.2017 is
- (1) Rs.90 000. (2) Rs.100 000. (3) Rs.180 000. (4) Rs.320 000.

- Use the following information to answer the questions No. 35 to 40.

Following are a few balances extracted from the trial balance of Janaka's business as at 31.12.2017.

	Rs.
Capital	300 000
Stock (as at 01/01/2017)	40 000
Sales	250 000
Purchases	150 000
Carriage inwards	3 000
Debtors	35 000
Insurance expenses	18 000
Administrative salaries	26 000
Financial expenses	4 000
Discounts received	2 000
Other income	5 000
Discounts allowed	10 000

Additional information:

- * The annual insurance fee for the year of 2017 is Rs.20 000.
- * Rs 3 000 of debtors should be written off as bad debts.
- * Cost of stock as at 31.12.2017 is Rs.30 000.

35. Cost of sales for the year ended 31.12.2017 is
 (1) Rs.87 000. (2) Rs.120 000. (3) Rs.160 000. (4) Rs.163 000.
36. The gross profit of the business for the year ended 31.12.2017 is
 (1) Rs.87 000. (2) Rs.90 000. (3) Rs.130 000. (4) Rs.163 000.
37. The amount of insurance paid in cash of this business for the year ended 31.12.2017 is
 (1) Rs.2 000 (2) Rs.18 000 (3) Rs.20 000. (4) Rs.22 000.
38. The amount of debtors in financial position statement of this business as at 31.12.2017 is
 (1) Rs.3 000. (2) Rs.32 000. (3) Rs.35 000. (4) Rs.38 000.
39. The net profit of this business for the year ended 31.12.2017 is
 (1) Rs.31 000. (2) Rs.33 000. (3) Rs.36 000. (4) Rs.38 000.
40. Total equity of the owner of this business as at 31.12.2017 is
 (1) Rs.331 000. (2) Rs.333 000. (3) Rs.336 000. (4) Rs.338 000.

* *

[see page seven

සියලු ම හිමිකම් ඇවිරිණි / முழுப் பதிப்புரிமையுடையது / All Rights Reserved]

ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව
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 கல்விப் பொதுத் தராதரப் பத்திர (சாதாரண தர)ப் பரீட்சை, 2018 டிசெம்பர்
General Certificate of Education (Ord. Level) Examination, December 2018

ව්‍යාපාර හා ගිණුම්කරණ අධ්‍යයනය I, II
 வணிகக் கல்வியும் கணக்கீடும் I, II
Business and Accounting Studies I, II

Business and Accounting Studies II

NB: As instructed answer *five* questions only. 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. 1 answer *five* questions selecting *two* questions from each of the parts I and II.
- * Write your answers in neat handwriting.

1. Using the following case, answer the questions No. (i) to (x).
 Udari, a graduate from Entrepreneurial Management, lives in Chilaw, conducts a business as 'Kapruka Products' to export candied coconut, kopparai (copra), coconut shells and ornamental items using coconut fiber by purchasing coconut with husks from large coconut estate owners in the area.

Following accounts balances were in 'Kapruka products' business as at 01 October 2018.

	Rs.
• Cash balance	12 000
• Debtors	18 000
• Creditors	50 000
• Equipment	250 000
• Land and building	100 000

Following transactions were occurred for the month ended 31st October 2018.

	Rs.
• Purchases in cash (coconut with husks)	200 000
• Purchases on credit (coconut with husks)	100 000
• Sales on credit	200 000
• Sales in cash	400 000
• Paid production employees wages	70 000
• Expenses paid to transport the products	60 000
• Paid carriage inwards	20 000
• Electricity charges payable	6 000

Due to the decreasing of supply of coconut resulting from the fragmentation of large coconut lands and coconut insects infestation, Udari introduced a coconut milk powder product without any flavour to minimize the wastage occurred in using coconut.

Udari received an order for 10000 milk powder packets through an email from a foreign buyer who met her at the exhibition organized by Export Development Board when she presented her products. Udari has informed that the order will be shipped before 31st of December 2018 on the telephone.

Since Udari had not enough financial strength to expand the milk powder products, she has applied for a bank loan of Rs.500000. On 31.10.2018 a lorry has been purchased for Rs.300000 from Amara Motors on credit for transporting coconut and products.

Equipment is depreciated at 12% annually and no stocks are remained as at 31.10.2018.

- (i) (a) What is the type of business organization that 'Kapruka products' business belongs to?
- (b) To which production factor do the coconuts with husks used for the production of this business belong?

[see page eight

- (ii) Write an example each for strength, weakness, opportunity and threat of 'Kapruka products' business extracting from this case.
- (iii) (a) To which variable in marketing mix do the following statements belong?
 - 1. Producing milk powder packets
 - 2. Presenting the milk powder packets at the exhibition of Export Development Board
 (b) To which management function do the following statements belong?
 - 1. Deciding to ship the milk powder packets before 31.12.2018
 - 2. Purchasing a small lorry on credit
- (iv) Write **two** supporting services used by 'Kapruka Products' business and **two** examples from the case to justify the use of each supporting service extracting. (To provide the answers use a table similar to one given below)

Supporting Service	Example
1.	
2.	

- (v) How much is the equity of 'Kapruka products' business as at 01.10.2018?
- (vi) (a) Write a direct cost and an indirect cost of 'Kapruka Products' business with values.
 (b) Write a transaction of 'Kapruka Products' business that affects the increase of the liabilities.
- (vii) Prepare the general journal of 'Kapruka Products' business for the month of October 2018.
- (viii) (a) How much is the cash balance of this business as at 31.10.2018?
 (b) Write a current asset and a current liability of this business with values as at 31.10.2018.
- (ix) Calculate the net profit of 'Kapruka Products' business for the month of October 2018.
- (x) (a) Write an example each for an equity account and an income account of 'Kapruka Products' business.
 (b) How much is the net value of non-current assets of 'Kapruka Products' business as at 31.10.2018?
 (02 × 10 = 20 marks)

Part I - Business Studies
 (Answer two questions only.)

- 2. (i) (a) What is a human need?
 (b) Write **two** characteristics of human needs. (02 marks)
- (ii) State whether the following statements are **true** or **false**.
 - (a) Employees who expect to satisfy different aims from the business, belong to the external environment of that business.
 - (b) Natural resources that are used in businesses which produce goods and services are known as capital.
 - (c) Co-operative societies belong to 'not for profit businesses' in private sector.
 - (d) Businesses can be categorized as commodity manufacturing businesses and service providing businesses based on the nature of the products. (02 marks)
- (iii) Ama and Rasanga are conducting a business as 'Amarasa curd' to produce and sell curd by purchasing fresh milk from Pasindu in Ambilipitiya.
 - (a) What is the human want satisfied by the 'Amarasa curd' business in this case?
 - (b) State **two** advantages of type of business organization of 'Amarasa curd' relative to the type of business organization of Pasindu in this case. (02 marks)
- (iv) Due to the increase of American dollar value against Sri Lankan rupee, the cost of importing crude oil has increased.
 - (a) What is the business environmental factor induced from the above statement?
 - (b) Suggest a substitute to minimise the use of crude oil. (02 marks)

(Total 08 marks)

[see page nine

3. (i) (a) What is the retail business?
(b) Name **two** types of accounts in commercial banks. (02 marks)
- (ii) State whether the following statements are **true** or **false**.
(a) The main difference between the retail business and wholesale business is the intention of the buyer.
(b) A cheque with special crossing can be deposited in a current account in any commercial bank.
(c) While the risk in property insurance is certain, the risk in life insurance is uncertain.
(d) The act of the sender in regarding the message is the response in the communication process. (02 marks)
- (iii) Saranga Batick producers sent a stock of Batick designs to Ramesh in Singapore by air.
(a) Name the importer and the exporter mentioned here.
(b) State examples for the element of transportation the way and mode, related to the transportation method included here. (02 marks)
- (iv) Vimal's Rs.2000000 valued motor vehicle which insured at Sri Lanka insurance co-orporation on the same value, met with an accident and caused a Rs. 500 000 damage and made small injuries to Sunimal who was walking in pavement.
Related to the insurance in the above case,
(a) Name the first party.
(b) Name the second party.
(c) Name the third party.
(d) State the value of the claim that Vimal could received. (02 marks)
(Total 08 marks)
4. (i) (a) What is 'management'?
(b) Write **two** benefits received by investing in ordinary shares? (02 marks)
- (ii) State whether the following statements are **true** or **false**.
(a) Planning is the process of investigating whether the planned activities have happened in that order.
(b) The target market is the share of the market consisting of consumers that a business can satisfy in a more attractive and profitable way.
(c) When selecting an investment, only the risk of that investment should be considered.
(d) Employing some amount of money from the earnings in an effective way with the purpose of having an economic benefits is an investment. (02 marks)
- (iii) Rathna who does not like to take high risk, sold a land for Rs.1500000 which was bought at Rs.1200000 one year ago. She expects to use this money for her daughter's higher education by next month.
(a) What is the value of the benefit received by Rathna from the transaction of selling the land?
(b) What is the term used for the benefit mentioned in (a) above?
(c) What is the most suitable source of investment to invest her money until it is used for her daughter's education?
(d) State the reason for your suggestion given in (c) above. (02 marks)
- (iv) The organizers decided to visit Anuradhapura and Polonnaruwa on 31.03.2018 for the annual school trip. Students were appointed to committees of first-aids and refreshments. After the trip, principal inquired about the progress of the trip and the class teacher provided the report.
(a) State **two** management functions in the above case.
(b) Write an example for each management function mentioned in (a) above. (02 marks)
(Total 08 marks)

[see page ten

Part II - Accounting
(Answer two questions only.)

5. (i) (a) What is an asset?
(b) Write the principle of double entry relevant to equity accounts. (02 marks)
- (ii) Following are two transactions occurred in a furniture shop.
(a) Purchasing an executive chair for Rs.20 000 on credit for the use of manager
(b) Selling a table of Rs.15 000 to Kasun on credit
Write the source documents and prime entry books relevant to the above each transaction (02 marks)
- (iii) Following are some transactions occurred in Samantha's business which sells electric equipment for the month ended 31.01.2018.
1. Obtaining a bank loan of Rs.100 000
 2. Purchasing electric equipment of Rs.50 000 on credit
 3. Paying Rs.8 000 to creditors in cash
 4. Selling a stock of electric equipment for Rs.40 000 which cost Rs.25 000
 5. Withdrawing of Rs.5 000 in cash by Samantha for his personal use

Required:

- (a) Indicate how each of the above transactions influenced accounting equation.
(Use the following format in answering. First transaction has been done for you.)

Transaction	Assets (Rs)			=	Equity (Rs)	+	Liabilities (Rs)	
	Furniture and Equipment	Stock	Cash		Equity	Bank Loan	Creditors	
Balances as at 01.01.2018	160 000	70 000	25 000		235 000	-	20 000	
1	-		+ 100 000			+ 100 000	-	
2								
3								
4								
5								

- (b) What are the values of following items of Samantha's business as at 31.01.2018?
1. Current assets
 2. Non-current assets
 3. Current liabilities
 4. Non-current liabilities (04 marks)
- (iv) Following are a few transactions occurred in Thushara's retailing business for the month of May 2018.
1. 03.05.2018 - Purchasing 20 tea packets from Sameera at Rs. 200 each on credit (Invoice no. 612) 5% trade discount was given.
 2. 05.05.2018 - Purchasing 20 eggs at Rs.15 each in cash (Receipt no.25)
 3. 18.05.2018 - Purchasing 100 box of matches from Pahan at Rs. 5 each on credit (Invoice no. 305)
 4. 23.05.2018 - Purchasing a computer table of Rs. 25 000 from Techno Trader on credit

Required:

- (a) Prepare the purchases journal of Thushars's business for the month of May 2018.
(b) Post the information in purchases journal to ledger accounts as at 31.05.2018.

(04 marks)
(Total 12 marks)

[see page eleven

6. (i) (a) What is a bank statement?
 (b) Write **two** reasons for the difference between the balance of bank account and the balance in the bank statement of a business. (02 marks)

(ii) Following are few information of Sandun's business which produces almirahs for the month of November 2018.

* Cost of timber	Rs. 100 000
* Monthly electricity bill	Rs. 2 500
* Wages of carpenter	Rs. 60 000
* Other direct expenses	Rs. 17 500
* Rent of carpenter's shop	Rs. 20 000

Number of almirahs produced during the month of November is five. Selling price of an almirah is Rs. 50 000.

Required:

- (a) Prime cost for the month of November 2018
 (b) Profit from selling an almirah (02 marks)
- (iii) (a) Following are two incomplete journal entries kept in rectifying the accounting errors occurred in a business.

General Journal

Date	Voucher No.	Description	L/F	Debit (Rs.)	Credit (Rs.)
(1) 2018.03.31	101	Purchases account Dr Creditor account (.....)		40 000	40 000
(2)	102	Office equipment account Dr Purchases account (.....)		20 000	20 000

Required:

Write narrations for each of the above errors rectifications. (02 marks)

- (b) As the trial balance prepared in Sumudu's business as at 31.03.2018 was not tallied the difference was transferred to the suspense account.
 Following is the suspense account prepared in Sumudu's business after rectifying the accounting errors.

Suspense Account

Date	Description	L/F	Amount (Rs.)	Date	Description	L/F	Amount (Rs.)
	The difference in trial balance			Equipment account		12 000
	Sales account		5 000		Electricity charges account		4 000
	Purchases account		2 000				

Required:

- (a) Difference in the trial balance before rectifying the errors.
 (b) If the total of the debit column of the trial balance prepared as at 31.03.2018 before entering the difference to the suspense account was Rs. 85 000, the total of the credit column of the trial balance.

(02 marks)

[see page twelve

(iv) The debit balance of the bank account of Sapumal's business as at 31.10.2018 was Rs.16 000. But the balance of the bank statement received on that day did not match with the balance of bank account. Later the following was revealed as the reasons for the difference.

1. Cheques deposited but not realized during the month is Rs.5 000
2. Bank chargers but not recorded in the bank account is Rs.500
3. Cheques issued but not presented to the bank for encashment during the month is Rs. 8 000
4. Direct remittances received from debtors to the bank which were not recorded in the bank account is Rs.2 000.

Required:

- (a) Adjusting the balance in the bank account of the business as at 31.10.2018
- (b) Preparing the bank reconciliation statement as at 31.10.2018

(04 marks)

(Total 12 marks)

7. (i) (a) What are the financial statements prepared by sole proprietorship?
 (b) Write the double entry to record the income receivables.

(02 marks)

(ii) The number of members in Lahiru Sports Association are 60. The annual membership fee per member is Rs.1 000. An incomplete receipts and payments account and Income statement prepared for the year ended 31.03.2018, are as follows.

**Receipts and Payments Account of Lahiru Sports Association
for the year ended 31.03.2018**

	Rs.		Rs.
Membership fee	A	Stationeries	5 000
Receipts from selling flags	8 000	Transportation cost	8 500
		Festival expenditures	12 500

**Income statement of
Lahiru Sports Association
for the year ended 31.03.2018**

	Rs.
Income	
Membership fee	60 000
Income from selling flags	B
Expenditures	
Transportation cost	C
Festival expenditures	12 500
Stationeries	5 000

Additional information:

- * Eight members have not paid membership fee for the year.
- * Accrued transportation expenses as at 31.03.2018 is Rs.2 000.
- * Receivables from selling flags is Rs.600.

Required:

- (a) Correct values for each above A, B and C
- (b) Surplus or shortage for the year ended 31.03.2018

(02 marks)

[see page thirteen

(iii) Trial balance of Kavindu's business for the year ended 31.12.2017 is as follows.

	Debit (Rs.)	Credit (Rs.)
Land & building (at cost)	300 000	
Capital		500 000
Distribution vehicle (at cost)	400 000	
Distribution vehicle-provision for depreciation (as at 01.01.2017)		60 000
Stock (as at 01.01.2017)	25 000	
9% Bank loan		100 000
Purchases	150 000	
Sales		240 000
Salaries	8 000	
Debtors	20 000	
Creditors		17 000
Discounts received		3 000
Discounts allowed	1 000	
Carriage inwards	1 500	
Bank interest paid	4 500	
Bad debt	800	
Electricity charges	2 000	
Rate	200	
Cash balance	7 000	
	920 000	920 000

Additional Information:

- * Stock as at 31.12.2017 is Rs.25 000.
- * Distribution vehicles should be depreciated annually at 10% on straight line method.
- * Rs.1200 has been decided to written off as bad debts.

Required:

- (a) The Statement of Profit and Loss for the year ended 31.12.2017 (04 marks)
 (b) The Statement of Financial Position as at 31.12.2017 (04 marks)
(Total 12 marks)

* * *

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இலங்கைப் பரீட்சைத் திணைக்களம்
අ.පො.ස.(සා.පෙළ) විභාගය - 2018
க.பொ.த (சா.தர)ப் பரீட்சை - 2018

රහස්‍යයි

Subject No.
பாடல் இலக்கம்

60

Subject
பாடல்

Business & Accounting Studies

Paper I - Answers
புத்திரம் - விடைகள்

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

විශේෂ උපදෙස් } එක් පිළිතුරකට ලකුණු
விசேட அறிவுறுத்தல் } ஒரு சரியான விடைக்கு

01

බැගින්
புள்ளி வீதம்

මුළු ලකුණු/ மொத்தப் புள்ளிகள் 01 × 40 = 40

පහත නිදසුනෙහි දක්වෙන පරිදි බහුවරණ උත්තරපත්‍රයේ අවසාන තීරුවේ ලකුණු ඇතුළත් කරන්න.
கீழ் குறிப்பிடப்பட்டிருக்கும் உதாரணத்திற்கு அமைய பல் தேர்வு வினாக்களுக்குரிய புள்ளிகளை பல் தேர்வு வினாப் பத்திரத்தின் இறுதியில் பதிச.

නිවැරදි පිළිතුරු සංඛ්‍යාව
சரியான விடைகளின் தொகை

25

40

I පත්‍රයේ මුළු ලකුණු
பத்திரம் I இன் மொத்தப் புள்ளி

25

40

Business & Accounting Studies - II

1. Using the following case, answer the questions No. (i) to (x).

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Udari received an order for 10000 milk powder packets through an email from a foreign buyer who met her at the exhibition organized by Export Development Board when she presented her products. Udari has informed that the order will be shipped before 31st of December 2018 on the telephone.

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(b) To which production factor do the coconuts with husks used for the production of this business belong?

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2.	

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- (x) (a) Write an example each for an equity account and an income account of 'Kapruka Products' business.
 (b) How much is the net value of non-current assets of 'Kapruka Products' business as at 31.10.2018? **(02 × 10 = 20 marks)**

01.

- (i) (a) Sole Proprietorship / Sole trader / Privet Sector business / Small and medium scale business / Profit motive business. **(01 mark)**

- (b) Capital **(01 mark)**

- (ii)
- Streangth - Udari having a degree on graduate from entrepreneurial Management.
 - Weakness - poor financial strength.
 - Opportunity - Existence of large coconut estate owners in the area.
 - Conducting exhibitions by Export Development Board.
 - Threat - Fragmentation of large coconut land.
 - Spread of coconut insect infestation.

(½ x 4 = 02 marks)

- (iii) (a) 1. Product
 2. Promotion / place

(½ x 2 = 01 mark)

- (b) 1. Planning
2. Organizing

(½ x 2 = 01 mark)

(iv)

Supporting Services	Examples
• Communication	• Using of E mails • Using of Telephones
• Banking Services	• applying for the bank loan facility
• Transportation	• Paid carriage inwards. • Paid transport expenses • Informed that the order will be shipped. • Lorry has been purchased on credit.

(½ x 2 = 01 mark)

(½ x 2 = 01 mark)

(v)

Equity Rs. 330 000

(02 marks)

or

$$(12\ 000 + 18\ 000 + 250\ 000 + 100\ 000) - 50\ 000 = 330\ 000$$

½

½

or

$$380\ 000 - 50\ 000 = 330\ 000$$

½

½

- (vi) (a) Direct Cost -
- Purchases in cash (coconut with husks) Rs. 200 000
 - Purchases on credit (coconut with husks) Rs. 100 000
 - Production wages Rs. 70 000
 - Carriage inwards Rs. 20 000

(½ mark for any item)

- Indirect Cost -
- Electricity expenses Rs. 6 000
 - Transport expenses Rs. 60 000
 - Depreciation of equipment Rs. 2 500

(½ mark for any item)

- (b)
- Lorry has been purchased for Rs. 300 000 from Amara Motors on credit
 - Purchases coconut with husks on credit of Rs. 100 000
 - Accrued electricity charges of Rs. 6 000

(vii)

General Journal

	Date	J. V.N.	Description	L. F.	Dr. Rs.	Cr. Rs.
(1)	2018.10.01		Cash a/c Dr. Debtors a/c Dr. Equipment a/c Dr. Land & Building a/c Dr. Creditors a/c Capital a/c (Recording assets, liabilities and equity as at 01.10.2018)		12 000 18 000 250 000 100 000 380 000	 50 000 330 000 380 000
(2)	2018.10.31		Electricity charges a/c Dr. Accrued electricity bill a/c (Recording for accrued electricity charges)		6 000	6 000
(3)			Motor vehicle a/c Dr. Amara Motors a/c (Recording of Purchases a lorry for Rs. 300 000 from Amara Motors.)		300 000	330 000
(4)			Depreciation of equipment a/c Dr. Accumulated depreciation a/c for equipment. (Recording for monthly equipment depreciation)		2 500	2 500

(1 x 2 = 02 marks)

(Viii) (a) Rs. 62 000

(01 mark)

or

Cash Account

Date	R. N	Description	L F	Amount Rs.	Date	V. N.	Description	L F	Amount Rs.
01/10		balance		12 000			Purchase		200 000
		Sales	1/2	400 000			Employees wages		70 000
							Transport Expences		60 000
							Carriage inwards		20 000
							31/10 balance c/d		62 000
				<u>412 000</u>					<u>412 000</u>
01/11		balance b/f		62 000					

(b) Current assets = Cash Rs. 62 000
 Debtor Rs. 218 000

(1/2 mark for any item)

Current liabilities = Creditors = Rs. 150 000

Payable electricity = Rs. 6 000

(1/2 mark for any item)

(ix)

Kapruka Products profit or loss statement for the month ended 31.10.2018

	Rs.	Rs.
<u>Income</u>		
Cash Sale	400 000	
Credit Sale	200 000	
	<u>600 000</u>	
<u>Expenses</u>		
Cash Purchases	200 000	
Credit Purchases	100 000	
Production employees wages	70 000	1/2
Transport expenses	60 000	
Carriage inward	2 000	
Electricity Charges	6 000	
Depreciation of equipment	2 500	1/2
	<u>(458 500)</u>	
Net Profit		1/2
		<u>141 500</u>

(02 marks)

- (x) (a) Equity account - Capital account (½ mark)
 Income account - Sale account (½ mark)

(b) Rs 647 500 (01 mark)

or

$$(250\ 000 + 100\ 000 + 300\ 000) - 2\ 500 = 647\ 500$$

⏟
⏟

(½)
(½)

01	i		ii		iii		iv	v	vi		vii	viii		ix	x			
	a b		a b						a b			a b			a b			20
	01	01	02	01	01	02	02	01	01	02	01	01	02	01	01	02		01

Part I - Business Studies
 (Answer two questions only.)

2. (i) (a) What is a human need?
 (b) Write **two** characteristics of human needs. (02 marks)
- (ii) State whether the following statements are **true** or **false**.
- (a) Employees who expect to satisfy different aims from the business, belong to the external environment of that business.
- (b) Natural resources that are used in businesses which produce goods and services are known as capital.
- (c) Co-operative societies belong to 'not for profit businesses' in private sector.
- (d) Businesses can be categorized as commodity manufacturing businesses and service providing businesses based on the nature of the products. (02 marks)
- (iii) Ama and Rasanga are conducting a business as 'Amarasa curd' to produce and sell curd by purchasing fresh milk from Pasindu in Ambilipitiya.
- (a) What is the human want satisfied by the 'Amarasa curd' business in this case?
 (b) State **two** advantages of type of business organization of 'Amarasa curd' relative to the type of business organization of Pasindu in this case. (02 marks)
- (iv) Due to the increase of American dollar value against Sri Lankan rupee, the cost of importing crude oil has increased.
- (a) What is the business environmental factor induced from the above statement?
 (b) Suggest a substitute to minimise the use of crude oil. (02 marks)
- (Total 08 marks)**

02.

- (i) (a) Human needs are requirements must be fulfilled essentially for existence.

(01 mark)

- (b) Being essential
 Being common
 Cannot be created by businessman
 Being limited

($\frac{1}{2} \times 2 = 01$ mark)

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

($\frac{1}{2} \times 4 = 02$ mark)

- (iii) (a) Curd

(01 mark)

- (b) • Can raise more capital.
 • Employing different skills of partners.
 • Sharing liability among two partners.
 • Taking collective decisions.
 • Sharing losses among two partners.

($\frac{1}{2} \times 2 = 01$ mark)

- (iv) (a) Economic environment.

(01 mark)

- (b) • Battery
 • Solar Power
 • Wind mills
 • Coal
 • Bio gas
 • Gas
 • Electricity
 • Animal power
 • Manpower

(01 mark)

02	i		ii				iii		iv		<u>08</u> 08
	a	b	a	b	c	d	a	b	a	b	
	01	01	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	01	01	01	01	

3. (i) (a) What is the retail business?
 (b) Name **two** types of accounts in commercial banks. (02 marks)
- (ii) State whether the following statements are **true** or **false**.
 (a) The main difference between the retail business and wholesale business is the intention of the buyer.
 (b) A cheque with special crossing can be deposited in a current account in any commercial bank.
 (c) While the risk in property insurance is certain, the risk in life insurance is uncertain.
 (d) The act of the sender in regarding the message is the response in the communication process. (02 marks)
- (iii) Saranga Batick producers sent a stock of Batick designs to Ramesh in Singapore by air.
 (a) Name the importer and the exporter mentioned here.
 (b) State examples for the element of transportation the way and mode, related to the transportation method included here. (02 marks)
- (iv) Vimal's Rs.2 000 000 valued motor vehicle which insured at Sri Lanka insurance co-orporation on the same value, met with an accident and caused a Rs. 500 000 damage and made small injuries to Sunimal who was walking in pavement.
 Related to the insurance in the above case,
 (a) Name the first party.
 (b) Name the second party.
 (c) Name the third party.
 (d) State the value of the claim that Vimal could received. (02 marks)
(Total 08 marks)

03.

- (i) (a) Retail business means selling goods and services for final consumption. (01 mark)
- (b) • Savings Accounts
 • Fixed Deposits Accounts
 • Current Accounts ($\frac{1}{2} \times 2 = 01 \text{ mark}$)
- (ii) (a) True
 (b) False
 (c) Flase
 (d) False ($\frac{1}{2} \times 4 = 02 \text{ marks}$)
- (iii) (a) Importer - Ramesh
 Exporter - Saranga Batick Producer ($\frac{1}{2} \times 2 = 01 \text{ mark}$)
- (b) Way - airway
 mode - Airplane / Airbus ($\frac{1}{2} \times 2 = 01 \text{ mark}$)

- (iv) (a) Wimal
 (b) Sri Lanka Insurance Co-operation
 (c) Sunimal
 (d) Rs. 500 000

(½ x 4 = 02 marks)

03	i		ii				iii		ii				08
	a	b	a	b	c	d	a	b	a	b	c	d	
	01	01	½	½	½	½	01	01	½	½	½	½	

4. (i) (a) What is 'management'?
- (b) Write **two** benefits received by investing in ordinary shares? *(02 marks)*
- (ii) State whether the following statements are **true** or **false**.
- (a) Planning is the process of investigating whether the planned activities have happened in that order.
- (b) The target market is the share of the market consisting of consumers that a business can satisfy in a more attractive and profitable way.
- (c) When selecting an investment, only the risk of that investment should be considered.
- (d) Employing some amount of money from the earnings in an effective way with the purpose of having an economic benefits is an investment. *(02 marks)*
- (iii) Rathna who does not like to take high risk, sold a land for Rs.1500000 which was bought at Rs.1200000 one year ago. She expects to use this money for her daughter's higher education by next month.
- (a) What is the value of the benefit received by Rathna from the transaction of selling the land?
- (b) What is the term used for the benefit mentioned in (a) above?
- (c) What is the most suitable source of investment to invest her money until it is used for her daughter's education?
- (d) State the reason for your suggestion given in (c) above. *(02 marks)*
- (iv) The organizers decided to visit Anuradhapura and Polonnaruwa on 31.03.2018 for the annual school trip. Students were appointed to committees of first-aids and refreshments. After the trip, principal inquired about the progress of the trip and the class teacher provided the report.
- (a) State **two** management functions in the above case.
- (b) Write an example for each management function mentioned in (a) above. *(02 marks)*
- (Total 08 marks)*

04.

- (i) (a) a) Management is the process of planning organizing leading and controlling the resources owned by a business in order to achieve objectives of a business efficiently and effectively

(01 mark)

- (b) • receiving dividends.
 • receiving capital gains
 • present as a collateral when obtaining loans
 • receiving voting power
 • contribute to the decision making of the company by being appointed as a director

($\frac{1}{2} \times 2 = 01$ mark)

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

($\frac{1}{2} \times 4 = 02$ marks)

- (iii) (a) Rs. 300 000
 (b) Capital gain
 (c) Saving a/c
 (d) • Rathna does not like to take risk
 • Money needed to withdraw with in one month

($\frac{1}{2} \times 4 = 02$ marks)

- (iv) (a) Planning - decided to visit Anuradapura and Polonnaruwa
 (b) Organizing - student were appointed to the committees
 (c) Controlling - • principal inquired about the progress
 • class teacher provided the report

($\frac{1}{2} \times 4 = 02$ marks)

04	i		ii				iii				iv		08
	a	b	a	b	c	d	a	b	c	d	a	b	
	01	01	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	01	01	08

Part II - Accounting
(Answer two questions only.)

5. (i) (a) What is an asset?
(b) Write the principle of double entry relevant to equity accounts. (02 marks)

- (ii) Following are two transactions occurred in a furniture shop.
(a) Purchasing an executive chair for Rs.20 000 on credit for the use of manager
(b) Selling a table of Rs.15 000 to Kasun on credit

Write the source documents and prime entry books relevant to the above each transaction (02 marks)

- (iii) Following are some transactions occurred in Samantha's business which sells electric equipment for the month ended 31.01.2018.

1. Obtaining a bank loan of Rs.100 000
2. Purchasing electric equipment of Rs.50 000 on credit
3. Paying Rs.8 000 to creditors in cash
4. Selling a stock of electric equipment for Rs.40 000 which cost Rs.25 000
5. Withdrawing of Rs.5 000 in cash by Samantha for his personal use

Required:

- (a) Indicate how each of the above transactions influenced accounting equation.
(Use the following format in answering. First transaction has been done for you.)

Transaction	Assets (Rs)			=	Equity (Rs)	+	Liabilities (Rs)	
	Furniture and Equipment	Stock	Cash		Equity		Bank Loan	Creditors
Balances as at 01.01.2018	160 000	70 000	25 000		235 000		-	20 000
1	-		+ 100 000				+ 100 000	-
2								
3								
4								
5								

- (b) What are the values of following items of Samantha's business as at 31.01.2018?

1. Current assets
2. Non-current assets
3. Current liabilities
4. Non-current liabilities

(04 marks)

- (iv) Following are a few transactions occurred in Thushara's retailing business for the month of May 2018.

1. 03.05.2018 - Purchasing 20 tea packets from Sameera at Rs. 200 each on credit (Invoice no. 612) 5% trade discount was given.
2. 05.05.2018 - Purchasing 20 eggs at Rs.15 each in cash (Receipt no.25)
3. 18.05.2018 - Purchasing 100 box of matches from Pahan at Rs. 5 each on credit (Invoice no. 305)
4. 23.05.2018 - Purchasing a computer table of Rs. 25 000 from Techno Trader on credit

Required:

- (a) Prepare the purchases journal of Thushars's business for the month of May 2018.
(b) Post the information in purchases journal to ledger accounts as at 31.05.2018.

(04 marks)
(Total 12 marks)

05.

(i) (a) Asset is a resource controlled by the business as a result of a past transaction and from which future economic benefits are expected to flow to the business.

(01 mark)

(b) Decrease of equity debit
 Increase of equity credit

(01 mark)

(ii) (a)

Transactions	Source document	Prime Entry book
(a)	Journal Voucher	General Journal
(b)	Sales Invoice	Sales Journal
	($\frac{1}{2} \times 2 = 01$ mark)	($\frac{1}{2} \times 2 = 01$ mark)

(iii) (a)

Transaction	Assets (Rs)			= Equity (Rs) + Liabilities (Rs)		
	Furniture and Equipment	Stock	Cash	Equity	Bank Loan	Creditors
Balance as at 01.01.2018	160 000	70 000	25 000	235 000	-	20 000
1	-		+ 100 000	-	+ 100.000	-
2		+ 50 000	-	-		+ 50 000
3			- 8 000			- 8 000
4		- 25 000	+ 40 000	+ 15 000		
5			- 5 000	- 5 000		

($\frac{1}{2} \times 4 = 02$ marks)

(b) (1) Current assets = Rs. 247 000
 (2) Non current assets = Rs. 160 000
 (3) Current liabilities = Rs. 62 000
 (4) Non current liabilities = Rs. 100 000

($\frac{1}{2} \times 4 = 02$ marks)

(iv) (a)

Purchase Journal

Date	Invoice No.	Supplier	Total value Rs.	Led. page	(1/2)
2018.05.03	612	Sameera	3 800		(1/2)
05.18	305	Pahan	500		(1/2)
05.31		Debited to the Purchase A/C	<u>4 300</u>		(1/2)

(02 marks)

(b) Dr. Purchase Account Cr.

Date	Description	L/F	Value Rs.	Date	Description	L/F	Value Rs.
2018.05.31	Creditors a/c		4.300				

Dr. Sameera Account Cr.

Date	Description	L/F	Value Rs.	Date	Description	L/F	Value Rs.
				2018.5.3	Purchase a/c		3 800

Dr. Pahan Account Cr.

Date	Description	L/F	Value Rs.	Date	Description	L/F	Value Rs.
				2018.5.18	Purchase a/c		500

Three Accounts with Correct formats 1/2 mark

(02 marks)

05	i		ii		iii		iv		12
	a	b	a	b	a	b	a	b	
	01	01	01	01	02	02	02	02	

6. (i) (a) What is a bank statement?
 (b) Write two reasons for the difference between the balance of bank account and the balance in the bank statement of a business. (02 marks)

(ii) Following are few information of Sandun's business which produces almirahs for the month of November 2018.

* Cost of timber	Rs. 100 000
* Monthly electricity bill	Rs. 2 500
* Wages of carpenter	Rs. 60 000
* Other direct expenses	Rs. 17 500
* Rent of carpenter's shop	Rs. 20 000

Number of almirahs produced during the month of November is five. Selling price of an almirah is Rs. 50 000.

Required:

- (a) Prime cost for the month of November 2018
 (b) Profit from selling an almirah (02 marks)

(iii) (a) Following are two incomplete journal entries kept in rectifying the accounting errors occurred in a business.

General Journal

	Date	Voucher No.	Description	L/F	Debit (Rs.)	Credit (Rs.)
(1)	2018.03.31	101	Purchases account Dr Creditor account (.....)		40 000	40 000
(2)		102	Office equipment account Dr Purchases account (.....)		20 000	20 000

Required:

Write narrations for each of the above errors rectifications. (02 marks)

- (b) As the trial balance prepared in Sumudu's business as at 31.03.2018 was not tallied the difference was transferred to the suspense account.
 Following is the suspense account prepared in Sumudu's business after rectifying the accounting errors.

Suspense Account

Date	Description	L/F	Amount (Rs.)	Date	Description	L/F	Amount (Rs.)
	The difference in trial balance			Equipment account		12 000
	Sales account		5 000		Electricity charges account		4 000
	Purchases account		2 000				

Required:

- (a) Difference in the trial balance before rectifying the errors.
 (b) If the total of the debit column of the trial balance prepared as at 31.03.2018 before entering the difference to the suspense account was Rs. 85 000, the total of the credit column of the trial balance.

(02 marks)

(iv) The debit balance of the bank account of Sapumal's business as at 31.10.2018 was Rs.16000. But the balance of the bank statement received on that day did not match with the balance of bank account. Later the following was revealed as the reasons for the difference.

1. Cheques deposited but not realized during the month is Rs.5000
2. Bank chargers but not recorded in the bank account is Rs.500
3. Cheques issued but not presented to the bank for encashment during the month is Rs.8000
4. Direct remittances received from debtors to the bank which were not recorded in the bank account is Rs.2000.

Required:

- (a) Adjusting the balance in the bank account of the business as at 31.10.2018
- (b) Preparing the bank reconciliation statement as at 31.10.2018

(04 marks)
(Total 12 marks)

06.

(i) (a) a description send by the Commercial Bank to the Current account holder end of the every month which happened transaction relavant to the current account.

(01 mark)

- (b)
- The cheque issued but not Presented to the bank for payment.
 - The Cheque deposited but not realised.
 - Direct remittance from debtors
 - Direct remittance other income
 - Payments on standing orders
 - Bank chargers and cheque books

($\frac{1}{2} \times 2 = 01$ mark)

(ii) (a) Rs. 177 500

(01 mark)

or

Prime Cost

	Rs.	
Cost of timber	100 000	} (1/2)
Wages of carpenter	60 000	
Other direct expense	17 500	
	177 500	

(b) Profit = Rs. 10 000

(01 mark)

or

Prime Cost = Rs. 177 500

Production over head cost

Electricity bill	2 500	
Rent	20 000	
Total Cost	<u>200 000</u>	
Unit Cost	<u>200 000</u>	} (1/2)
	5	
	= Rs. 40 000	
Selling Price	= Rs. 50 000	
Profit Per Unit	= 50 000 - 40 000	(1/2)
	<u>= Rs. 10 000</u>	

- (iii) (a) (1) • Correction of error of omission of Purchase invoice of Rs. 40 000
or
• Correction of error that reducing of total of the Purchase journal of Rs. 40 000
or
• Correction of error a Credit purchase invoice of Rs. 44 000 has been recorded as Rs. 4 000 in error in the purchase journal

(01 mark)

- (2) The correction of recording Rs. 20 000 Office equipment which was erroneously recorded in the purchase Account

(01 mark)

(b) (a) Rs. 9 000

(01 mark)

(b) Rs. 94 000

(01 mark)

or

$$85\ 000 + 9\ 000 = 94\ 000$$

(iv) (a)

Adjusted Bank A/C

	Rs.		Rs.
31.10.2018 Balance b/f	16 000	Bank charges	500 (1/2)
Direct remittances	2 000 (1/2)		
	<u>18 000</u>	31.10.2018 c/d	<u>17 500 (1/2)</u>
			<u>18 000</u>
31.10.2018 balance b/f	<u>17 500</u>		

1 1/2 mark

(b)

Sapumal's Business

Bank reconciliation statement for the month of October 2018

	Rs.	Rs.
Adjusted bank balance		$\left(\frac{1}{2}\right)$ 17 500
Add.		
Cheque issued but not presented to the bank		8 000 $\left(\frac{1}{2}\right)$
		25 500
Less.		
Unrealised cheque		5 000 $\left(\frac{1}{2}\right)$
Bank balance as per the bank statement as at 31.10.2018 $\left(\frac{1}{2}\right)$		$\left(\frac{1}{2}\right)$ <u>20 000</u>

(2 ½ marks)

06	i		ii		iii		iv		12
	a	b	a	b	a	b	a	b	
	01	01	01	01	02	02	1 ½	1 ½	12

(b) Surplus - Rs. 40 600 $\left(\frac{1}{2}\right)$

Income Statement

<u>Income</u>	Rs.	Rs.
Membership fee	60 000	
Income from selling flags	8 600	
	<hr/>	68 600
<u>Expenses</u>		
Transport cast	10 500	
Festival Expenxe	12 500	
Stationeries	5 000	
	<hr/>	(28 000)
Surplus		$\left(\frac{1}{2}\right)$ <u>40 600</u>

(iii) (a)

Kavindu's Business
Trade profit and Loss Account $\left(\frac{1}{2}\right)$
for the year ended 31.12.2017

	Rs.	Rs.		Rs.	Rs.
stock 01.01.2017		25 000	Sales		240 000
Purchase	150 000				
Carriage inwards	1 500				
	<hr/>	151 500			
		<hr/>			
		176 500			
<u>Less</u>					
Stock as at 31.01.2017		25 000 $\left(\frac{1}{2}\right)$			
		<hr/>			
		151 500 $\left(\frac{1}{2}\right)$			
Gross profit c/d		88 500 $\left(\frac{1}{2}\right)$			
		<hr/>			
		240 000			<hr/>
					240 000
<u>Distribution expenses</u>			Gross profit b/f		88 500
Discount Allowed	1 000		Discount Record		3 000
Bad debts	2 000 $\left(\frac{1}{2}\right)$				
Vehicle Depreciation	40 000 $\left(\frac{1}{2}\right)$				
	<hr/>	43 000			
<u>Administration expenses</u>					
Salary	8 000				
Electricity expenses	2 000				
Rate	200				
	<hr/>	10 200			
<u>Financial Expenses</u>					
Bank Interest		9 000 $\left(\frac{1}{2}\right)$			
Net profit transferred to the Capital Account $\left(\frac{1}{2}\right)$		29 300			
		<hr/>			
		91 500			<hr/>
					91 500

(04 marks)

(b)

Kavindu's Business
Balance Sheet as at 31.12.2017

½

½

	Rs.	Rs.		Cost Rs.	Accu: Dep: Rs.	Net book value Rs.
Capital	500 000		<u>Non current assets</u>			
add. Net Profit (½)	29 300		Land and building	300 000	- (½)	300 000
		529 300	Distribution vehicles	400 000	100 000	300 000 (½)
				700 000	100 000	600 000
<u>Non Current liabilities</u>			<u>Current assets</u>			
9% Bank loan		100 000	closing stock		25 000 (½)	
			Debtors		18 000 (½)	
<u>Current liabilities</u>			Cash		7 000	
Creditors	17 000					50 800
Accrued bank Interest	4 500 (½)					
		21 500				
		<u>650 800</u>				<u>650 800</u>

(04 marks)

(iii) (a)

Kavindu's Business
Profit or loss statement
for the year ended 31.12.2017

(1/2)

	Rs.	Rs.	Rs.
Sales			240 000
<u>Less: Cost of sales</u>			
stock as at 01.01.2017		25 000	
Purchases		150 000	
Carriage in words		1 500	
		176 500	
<u>Less</u> Stock as at 31.12.2017		(25 000)	(151 000)
Gross profit			88 500
Discount received			3 000
			91 500
<u>Distribution expenses</u>			
Discount allowed	1 000		
Bad debts	2 000		
vehicle Depreciation	40 000		
		43 000	
<u>Administration expenses</u>			
Salary	8 000		
Electricity expenses	2 000		
Rate	200		
		10 200	
<u>Financial expenses</u>			
Bank interest		9 000	(62 200)
Net profit transferred to capital account			29 300

(04 marks)

(b)

Kavindu's Business
Statement of Financial position
as at 31.12.2017

(1/2)

(1/2)

	Cost Rs.	Accu: dep: Rs.	Net book value Rs.
<u>Non current Assets</u>			
Land and Building	300 000	-	300 000
distri vehicle	400 000	100 000 (1/2)	300 000 (1/2)
	<u>700 000</u>	<u>100 000</u>	<u>600 000</u>
<u>Current Assets</u>			
Closing stocks		25 000 (1/2)	
debtors		18 800 (1/2)	
Cash		7 000	50 000
Total Assets			<u>650 800</u>
Capital		500 000	
Add. Net profit		29 300 (1/2)	529 800
<u>Non current Liabilities</u>			
9 % Bank Loan			100 000
<u>Current Liabilities</u>			
Creditors		17 000	
Accrued bank Interest		4 500 (1/2)	21 500
Total equity and liabilities			<u>650 800</u>

(04 marks)

10 සහ 11 ශ්‍රේණි සඳහා ග්‍රන්ථ නාමාවලිය

(අ.පො.ස) සාමාන්‍ය පෙළ 11 ශ්‍රේණිය - කෙටි සටහන්

සිංහල මාධ්‍ය

- 10-11 සිංහල ව්‍යාකරණ
- 10-11 සිංහල සාහිත්‍යය රසාස්වාදය
- බුද්ධ ධර්මය
- කතෝලික ධර්මය
- සිංහල භාෂාව හා සාහිත්‍යය
- සිංහල සාහිත්‍යය සංග්‍රහය
- English Language
- ගණිතය - 1
- ගණිතය - 2
- ජීව විද්‍යාව
- භෞතික විද්‍යාව
- රසායන විද්‍යාව
- ඉතිහාසය
- ව්‍යාපාර හා ගිණුම්කරණ අධ්‍යයනය
- භූගෝල විද්‍යාව
- පුරවැසි අධ්‍යාපනය
- පෙරදිග සංගීතය
- නර්තනය
- නාට්‍ය හා රංග කලාව
- චිත්‍ර කලාව
- තොරතුරු හා සන්නිවේදන තාක්ෂණය
- සන්නිවේදනය හා මාධ්‍ය අධ්‍යයනය
- සෞඛ්‍යය හා ශාරීරික අධ්‍යාපනය
- කෘෂි හා ආහාර තාක්ෂණය
- ගෘහ ආර්ථික විද්‍යාව

11 ශ්‍රේණිය - ප්‍රශ්නෝත්තර

සිංහල මාධ්‍ය

- සිංහල භාෂාව හා සාහිත්‍යය
- බුද්ධ ධර්මය
- ඉතිහාසය
- ව්‍යාපාර හා ගිණුම්කරණ අධ්‍යයනය
- පුරවැසි අධ්‍යාපනය

Grade 11 - Short Notes

English Medium

- Buddhism
- Mathematics - 1
- Mathematics - 2
- Biology
- Physics
- Chemistry
- History
- Business & Accounting Studies
- Geography
- Civic Education
- ICT
- Health & Physical Education
- 10-11 English Literary (Poetry)
- 10-11 English Literary (Drama)
- 10-11 English Literary (Short Story)

Grade 11 - Model Papers

English Medium

- Civic Education

10 ශ්‍රේණිය - කෙටි සටහන්

සිංහල මාධ්‍ය

- බුද්ධ ධර්මය
- කතෝලික ධර්මය
- සිංහල භාෂාව හා සාහිත්‍යය
- සිංහල සාහිත්‍යය සංග්‍රහය
- සිංහල රචනා අත්වැල
- English Language
- ගණිතය - 1
- ගණිතය - 2
- ජීව විද්‍යාව
- භෞතික විද්‍යාව
- රසායන විද්‍යාව

Grade 10 - Short Notes

English Medium

- ඉතිහාසය
- ඉතිහාසය රූප සටහන් අග්‍රිත කෙටි සටහන්
- ව්‍යාපාර හා ගිණුම්කරණ අධ්‍යයනය - 1
- ව්‍යාපාර හා ගිණුම්කරණ අධ්‍යයනය - 2
- භූගෝල විද්‍යාව
- පුරවැසි අධ්‍යාපනය
- පෙරදිග සංගීතය
- නර්තනය
- නාට්‍ය හා රංග කලාව
- චිත්‍ර කලාව
- තොරතුරු හා සන්නිවේදන තාක්ෂණය
- සන්නිවේදනය හා මාධ්‍ය අධ්‍යයනය
- සෞඛ්‍යය හා ශාරීරික අධ්‍යාපනය
- කෘෂි හා ආහාර තාක්ෂණය
- ගෘහ ආර්ථික විද්‍යාව
- ජපන් භාෂාව

- Buddhism
- Mathematics - 1
- Mathematics - 2
- Biology
- Physics
- Chemistry
- History
- Business & Accounting Studies - 1
- Business & Accounting Studies - 2
- Geography
- Civic Education
- ICT
- Health & Physical Education

10 ශ්‍රේණිය - ප්‍රශ්නෝත්තර

සිංහල මාධ්‍ය

- සිංහල භාෂාව හා සාහිත්‍යය
- බුද්ධ ධර්මය
- ගණිතය
- විද්‍යාව
- ඉතිහාසය
- පුරවැසි අධ්‍යාපනය
- භූගෝල විද්‍යාව
- පෙරදිග සංගීතය

Grade 10 - Model Papers

English Medium

- Mathematics
- Science
- Civic Education
- Geography
- English Activity Book
- English Work Book

අනෙකුත් ග්‍රන්ථ

- හෙළදිව කතිකාවත
- අරුණශාන්ත අමරසිංහ
- හොල්මන් අවතාර සහ යකඳුරන්
- අරුණශාන්ත අමරසිංහ
- සිසු-ගුරු අත්පොත නාට්‍ය හා රංග කලාව 10-11 ශ්‍රේණි සඳහා (නව විෂය නිර්දේශය) - තන්දන අල්ගේවත්ත

පාඩමෙන් පාඩමට මාසික ඇගයීම්

සිංහල මාධ්‍ය

- 10-ශ්‍රේණිය - විද්‍යාව
- 11-ශ්‍රේණිය - විද්‍යාව

සියලු ම ශ්‍රේණි සඳහා කෙටි සටහන්, ප්‍රශ්න පත්‍ර කට්ටල සහ වැඩ පොත් අප සතුව තිබෙන අතර, මෙම ඕනෑම ග්‍රන්ථයක් වට්ටම් සහිත ව ඔබේ නිවසට ම ගෙන්වා ගත හැකි ය.