



## Department of Examinations – Sri Lanka

G.C.E. (O/L) Examination – 2023 (2024)

# 60 - Business and Accounting Studies

## Marking Scheme



This document has been prepared for the use of Marking Examiners. Some changes would be made according to the views presented at the Chief Examiner's Meeting.

Amendments are to be included.



Department of Examinations - Sri Lanka  
National Evaluation and Testing Service  
**G.C.E. (O/L) Examination - 2023 (2024)**  
**60 - Business and Accounting Studies**

**Total marks**

Paper I - 01 x 40 marks **40 marks**

Paper II - Question number 01 is compulsory **20 marks**

**Part I - Business Studies**

Question no. 02 - 08 marks	}	For any 02 Questions $2 \times 8 = 16$ marks
Question no. 03 - 08 marks		
Question no. 04 - 08 marks		

**Part II - Accounting**

Question no. 05 - 12 marks	}	For any 02 Questions $2 \times 12 = 24$ marks
Question no. 06 - 12 marks		
Question no. 07 - 12 marks		

**Total Marks 60**

**Calculating final marks**

<b>Total Marks for Paper I</b>	<b>=</b>	<b>40</b>
<b>Total Marks for Paper II</b>	<b>=</b>	<b><u>60</u></b>
<b>Final Marks</b>	<b>=</b>	<b><u>100</u></b>



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## Department of Examinations - Sri Lanka

**G.C.E. (O/L) Examination - 2023 (2024)**

SUBJECT NO

**60 (E)**

SUBJECT

**Business and Accounting Studies****Answer - Paper I**

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

Special Instructions } **01** mark for each answerTotal marks **01 × 40 = 40**

Enter the marks in last column of the Multiple Answer Script as in the following example

Number of Correct Answers

**25****40**

Total Marks Paper I

**25****40**



## G.C.E.(O/L) EXAMINATION - 2023 (2024)

## 60 - Business &amp; Accounting Studies – II

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

Amila who hails from a traditional medicinal family is an Ayurvedic doctor in Girankula village. He started a business named as 'Ayura' on 01.01.2024 by investing Rs.800 000 in cash to produce and sell Ayurvedic medicine products for eye diseases in the Rs.500 000 worth building given by his father. On the same day he purchased machines and equipment for Rs.400 000. Some raw materials required to produce 'Ayura' products are bought from Girankula village. To protect the quality, raw materials are used for the production of medicine after drying them in sunlight. Following are the transactions occurred during the month ended 31.01.2024.

	Rs.
Purchases raw materials .....	350 000
Telephone expenses .....	5 000
Wages - Production employees .....	45 000
Sales employees .....	60 000
Other production expenses .....	30 000
Advertisement expenses .....	15 000
Distribution vehicle charges .....	150 000
Sales on credit .....	900 000

**Additional information:**

- There is no any raw materials and finished goods as at 31.01.2024.
- Machines and equipments should be depreciated at 6% annually on straight line basis.
- Monthly electricity bill Rs.10 000 was not paid as at 31.01.2024.

The orders taken from local customers via telephone, fax messages and emails are distributed by the business. A web page is being designed for online orders of foreign customers and it has been decided to obtain a direct online payment gateway to the business.

- (a) What is the basic human need fulfilled by the 'Ayura' business?
  - (b) What is the type of business organization that 'Ayura' business belongs according to the objective?
- (a) Write an example each for a strength and an opportunity of 'Ayura' business.
  - (b) Write two methods of communication for electronic written communication medium included in the above case.



1. (i) (a) Health (01 mark)

(b) • For profit Business/ Organization

- Sole proprietorship for profit

(01 mark)

(ii) (a) **Strength**

- Amila hails from a traditional medicinal family
- Amila is an Ayurvedic Doctor
- Amila has an adequate financial strength
- Having a building received from his father

(½ marks)

**Opportunity**

- Availability of raw materials from Girankula Village
- Having the local customers
- Having foreign customers
- Having good sunlight in Girankula village
- Having technological infrastructure in Girankula village

(½ marks)

(b)

- Fax messages
- E-mails
- Web page

(½ x 2 = 01 mark)

(iii) (a) Labour  
(b) Capital  
(c) Land  
(d) Entrepreneurship

(½ x 4 = 02 marks)

(iv) (a) Planning :

- Deciding to obtain a direct online payment gateway to the business

(½ marks)

Organizing:

- Purchasing of machines and equipment
- Purchasing of raw materials
- Recruiting employees
- Investing capital to the business
- Employing a building to the business

(½ marks)

(b) Place / Distribution

(01 mark)



(v)	Assets (Rs.)	=	Equity (Rs.)	+	Liabilities (Rs.)	
	1 300 000	=	1 300 000	+	-	(02 marks)

Or

Assets (Rs.)	=	Equity (Rs.)
--------------	---	--------------

1 300 000	=	1 300 000
-----------	---	-----------

Or

Assets (Rs.)	=	Equity (Rs.)	+	Liabilities (Rs.)
--------------	---	--------------	---	-------------------

• + 500 000 (Building)	=	+500 000	+	-	(½ marks)
------------------------	---	----------	---	---	-----------

• + 800 000 (Cash)	=	+800 000	+	-	(½ marks)
--------------------	---	----------	---	---	-----------

• - 400 000 (Cash)	=		+	-	(½ marks)
--------------------	---	--	---	---	-----------

• + 400 000 (Machines and equipment)	=		+	-
--------------------------------------	---	--	---	---

1 300 000	=	1 300 000	-
-----------	---	-----------	---

(vi)	(a) Sales invoice	(01 mark)
------	-------------------	-----------

	(b) Sales journal	(01 mark)
--	-------------------	-----------

(vii)	(a) Rs 2 000
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workings

$$400\,000 \times \frac{6}{100} \times \frac{1}{12}$$

(½ marks)

(b) Machines and equipment depreciation a/c	Dr. Rs. 2000
---	--------------

Accumulated depreciation / Provisions for depreciation machines and equipment depreciation a/c	Cr. Rs. 2000 (01 mark)
--	---------------------------

(viii)	(a) Purchasing raw materials	Rs. 350 000	
	Production employees salary	Rs. 45 000	(½x2 = 01 mark)

(b)	Sales employee salary	Rs. 60 000	
	Advertisement expenses	Rs. 15 000	
	Distribution vehicle charges	Rs. 150 000	(½x2 = 01 mark)

(02 marks)

(ix)	Net Profit	Rs. 233 000
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**Working**Income:

Rs.

Rs.

900 000  $\left(\frac{1}{2}\right)$ 

Sales

Less Expenses:

Purchasing raw materials

Rs. 350 000\*

Telephone expenses

Rs. 5 000\*

Wages:

Production employees

Rs. 45 000\*

Sales employee

Rs. 60 000\*

Other Production expenses

Rs. 30 000\*

Advertisement expenses

Rs. 15 000\*

Distribution vehicle charges

Rs. 150 000\*

Depreciation of Machinery

 $\left(\frac{1}{2}\right)$  Rs. 2 000

Electricity bill

Rs. 10 000  $\left(\frac{1}{2}\right)$ 

Net Profit

Rs. (667 000)

233 000 $\left(\frac{1}{2}\right)$  marks for any four \* marks

(x) (a) Rs. 898 000

(01 mark)

or

Building

Rs. 500 000

 $\left(\frac{1}{2}\right)$  marks)

Machines &amp; equipment

Rs. 398 000

 $\left(\frac{1}{2}\right)$  marks)

(b) Rs. 1 533 000

(01 mark)

or

Capital

Rs. 1 300 000

+Profit

 $\left(\frac{1}{2}\right)$  Rs. 233 000Rs. 1 533 000

01	i	ii	iii	iv	v	vi	vii	viii	ix	x	<u>20</u>
	02	02	02	02	02	02	02	02	02	02	<u>20</u>



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

2. (i) Write two characteristics of a Sole proprietorship business. (02 marks)
- (ii) State whether the following statements are true or false.
- According to the ownership, business organizations are classified as private and public sectors.
  - By studying internal environmental factors, business opportunities and strengths are identified.
  - The premises of business building always belongs to the production factor, land.
  - The owner of a business is entitled to unlimited liability irrespective of the type of business organization. (02 marks)
- (iii) Following are two types of businesses.
- A – National Hospital Colombo
- B – Sumaga Driving School
- What are the human needs fulfilled by the above A and B?
  - Categorize the above A and B businesses according to the nature of the product. (02 marks)
- (iv) Aravinda who owns a large scale supper market network, has decided to use Artificial Intelligence and Robotics to fix the discounts by identifying customers' needs.
- What is the type of business organization that super market in the above case belongs?
  - Write a technological environmental factor included in the above case. (02 marks)
- (Total 08 marks)**

2.

- (i)
- Capital is provided by a single person who is the owner
  - Profit or losses to be born alone
  - Unlimited liability of the owner
  - No legal personality
  - No continued existence
  - Not mandatory to register
  - Ability to take decision alone
  - Controlling is done by the owner
  - Owner has the opportunity to discontinue the business at any time he requires
  - Minimum legal requirements for the establishment
- (01x2 = 02 marks)**
- (ii)
- True
  - False
  - False
  - False
- ( $\frac{1}{2} \times 4 = 02$  marks)**



- (iii) a) A - Health  
B - Education

(½ x 2 = 01 mark)

- b) A - Service providing businesses  
B - Service providing businesses

(½ x 2 = 01 mark)

- (iv) a) Sole proprietorship businesses / for profit businesses / private sector businesses / Large scale businesses

(01 mark)

- b) • Use of artificial intelligence  
• Use of Robotics

(01 mark)

02	i	ii				iii		iv		08 08
		a	b	c	d	a	b	a	b	
	02	½	½	½	½	01	01	01	01	



3. (i) Write two differences between property insurance and life insurance. (02 marks)
- (ii) State whether the following statements are true or false. (02 marks)
- To obtain bank overdraft facilities, having a savings account in a commercial bank is required.
  - An email is an internal as well as external communication method in a business.
  - The principle of indemnity is not relevant to life insurance.
  - Jaffna railway station is an example for the element of transportation, terminal. (02 marks)

(iii) Amara who runs a garment factory has issued a cheque Rs.100 000 to Sarath for the raw materials purchased. While Amara maintains his current account in People's Bank, Sarath in Bank of Ceylon.

(a) Name the drawee and the drawer of the cheque included in the above case.

(b) Write two actions that Sarath can do related to the cheque received from Amara. (02 marks)

(iv) A customer gave a telephone call to Deepal, the manager of bag production business ordering 50 bags. Having accepted the order, Deepal confirmed to supply the bags within two days.

Write examples for each element of communication, in the communication process included in the above case. (02 marks)

(Total 08 marks)

3.

(i)

Life Insurance	Property Insurance
• The value of the policy depends on the risk of the life and the insured's ability to pay	• The value of the policy depends on the monetary value of the property
• Principle of indemnity does not apply	• Principle of indemnity does apply
• Benefits such as bonus interests will be applicable	• Not entitle for such additional benefits
• Long term	• Short term
• The risk is certain	• The risk is uncertain
• Not transferable	• Transferable

01 mark for one different

(01 x 2 = 02 Marks)

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

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

- (iii) (a) Drawee - People's Bank  
Drawer - Amara

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

(b)

- Sarath can deposit the cheque in a bank.
- The cheque can be transferred to another person.
- He can encash the cheque from a counter of people's bank.

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



(iv)	<u>Element</u>	<u>Example</u>
	Sender	- A customer
	Message	- Ordering 50 bags
	Mode/Medium	- Electronic verbal/electronic/verbal
	Receiver	- Deepal/The Manager
	Reaction/Response	- Accepting the order
	Feedback	- Confirming the order to supply within two days

(1/2 x 4 = 02 marks)

03	i	ii				iii		iv	<u>08</u> <u>08</u>
		a	b	c	d	a	b		
	02	1/2	1/2	1/2	1/2	01	01	02	

4. (i) What is a 'target market'?

(02 marks)

(ii) State whether the following statements are true or false.

- (a) High risk implies in investments expected with high return.
- (b) Discounts offered by a business belong to the variable of price in the marketing mix.
- (c) The first function in the management process is organizing.
- (d) Treasury bills are issued to fulfil long term capital requirements of the government.

(02 marks)

(iii) Following are the statements related to a proposed warm protected water bottle introduced by a marketing manager.

- A - The height of the bottle is 15 cm and the colour is green.
- B - The initial introduction is occurred near schools.
- C - Price includes 10% profit margin on cost.
- D - Advertisement is done via television.

Write variables of marketing mix related to each statements A, B, C and D.

(02 marks)

(iv) Ruvini intends to invest her savings in the following investments.

- A - Listed companies in the Colombo Stock Exchange
- B - A fixed deposit in a government bank
- C - A savings deposit in a government bank
- D - To buy jewellery

- (a) If Ruvini expects to get capital gains, what is the investment you recommend?
- (b) If Ruvini expects to get a fixed monthly interest what is the investment you recommend?

(02 marks)

(Total 08 marks)

4.

(i) The share of the market consisting of consumers that a business can satisfy in a more attractive and profitable way is the target market.

(02 marks)

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

(1/2 x 4 = 02 marks)



- (iii) *A* Product  
*B* Place / Promotion  
*C* Price  
*D* Promotion

(1/2 x 4 = 02 marks)

- (iv)(a) *A* / Listed companies in the Colombo stock exchange  
*D* / To buy jewellery

(01 x 1 = 01 mark)

- (b) *B* - A fixed deposit in a government bank

(01 mark)

04	i	ii				iii	iv		08 08
		a	b	c	d		a	b	
	02	1/2	1/2	1/2	1/2	02	01	01	

**Part II - Accounting**

(Answer two questions only.)

5. (i) What is 'Accounting'?

(02 marks)

- (ii) State the type of account each of the following accounts belongs.

- (a) Debtors account  
 (b) Drawings account  
 (c) Sales account  
 (d) Bank loan account

(02 marks)

- (iii) (a) Sahan started a business by investing Rs. 100 000 on 01.01.2024. Write the accounting equation of Sahan's business after this transaction.

- (b) The accounting equation of Sahan's business mentioned in above (iii) (a) changed as given below after one transaction.

$$\begin{array}{rcl} \text{Assets} & = & \text{Equity} + \text{Liabilities} \\ \text{Rs. 200 000} & & \text{Rs. 100 000} \quad \text{Rs. 100 000} \end{array}$$

Cash in asset increased by Rs. 100 000 through this transaction. Write the transaction occurred.

- (c) Some transactions occurred in Pubudu's business are given below.

- Purchasing a stock of goods Rs. 10 000 on credit
- Receiving from a debtor Rs. 20 000
- Selling a stock of goods Rs. 50 000 on credit which cost Rs. 35 000

Indicate how the above transactions impact on the accounting equation of Pubudu's business. (To answer, use a format similar to one given below. The impact of the first transaction has been given.)

Transaction No.	Assets	Equity	Liabilities
	Increase	-	Increase
1			
2			
3			

(04 marks)



- (iv) The balance of cash book in Suran's business as at 01.03.2024 was Rs. 15 800. The information relevant to the cash transactions in the month of March 2024 is given below.

Date	Receipt No.	Voucher No.	Description
05.03.2024	15	-	Selling goods in cash Rs. 35 000
10.03.2024	-	24	Purchasing furniture Rs. 60 000
17.03.2024	16	-	Receiving from a debtor Rs. 45 000
29.03.2024	-	25	Paying electricity bill Rs. 15 000

**Required:**

Preparing the cash book of Suran's business and indicating the cash balance as at 31.03.2024.

(04 marks)  
(Total 12 marks)

5.

- (i) Accounting is a process of providing information to stakeholders/ interested parties of a business for their decision making

(02 marks)

- (ii) (a) Assets Account  
(b) Equity Account  
(c) Income Account  
(d) Liability Account

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

- (iii) (a) Assets = Equity  
Rs.+100 000 Rs. +100 000

(01 mark)

- (b) Obtaining a loan Rs. 100 000

(01 mark)

(c)

Transaction No.	Assets	Equity	Liability
02	Increase Decrease	-	-
03	Increase Decrease	Increase	-

(01)

(01)

(02 marks)



(iv)

## Cash Book

 $\frac{1}{2}$ 

Date	Receipt No.	Description	L/F	Amount Rs.	Date	Voucher No.	Description	L/F	Amount Rs.
2024					2024				
01.03		Balance b/f		15 800 $\frac{1}{2}$	10.03	24	Furniture a/c		60 000 $\frac{1}{2}$
05.03	15	Sales a/c		35 000 $\frac{1}{2}$	29.03	25	Electricity Bill a/c		15 000 $\frac{1}{2}$
17.03	16	Debtors a/c		45 000 $\frac{1}{2}$	31.03		Balance c/d		20800 $\frac{1}{2}$
				95 800					95 800
01.04		Balance b/f		20 800					

(04 marks)

05	i	ii				iii			iv	$\frac{12}{12}$
		a	b	c	d	a	b	c		
	02	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	01	01	02	04	

6. (i) Following are two reasons to differ closing balances of bank account of the business and the bank statement.

1. Cheques issued but not presented to the bank
2. Cheques deposited but not realized

State whether because of each of the above reasons increase or decrease the balance of bank account of the business. (02 marks)

(ii) Write an example for the type of cost, relevant to each of the following product.

No	Product	Type of cost	Example
1	Bread	Direct material cost	.....
2	School uniform	Direct labour cost	.....

(02 marks)

(iii) Following are the information of Nimanthi's floor mats sewing business for the month of April 2024.

	Rs.
Purchasing of cut pieces cloth .....	60 000
Purchasing a sewing machine on credit .....	120 000
(This is depreciated at 10% annually)	
Purchasing thread, needles and other material .....	2 000
Paying wages to floor mats sewer .....	40 000
Paying wages to cleaner of sewing place .....	10 000
Paying electricity bill of the month of April .....	5 000
Paying monthly rent of the business .....	8 000

- The cost of production per floor mat is Rs. 126.

Required :

- (a) Production cost statement for the month of April 2024
- (b) Number of floor mats produced during the month of April 2024

(04 marks)



- (iv) Following is the bank reconciliation statement prepared by a trainee accounts clerk in a business as at 31.03.2024.

## Bank reconciliation statement

	Rs.	Rs.
Bank account balance as at 31.03.2024		33 000
Add: Direct remittances of debtors	13 000	
Cheques deposited but not realized	24 000	37 000
		70 000
Less: Bank loan installment	5 000	
Charges of cheque books	1 000	
Cheques issued but not presented	15 000	(21 000)
Balance as bank statement		49 000

## Required :

- (a) Adjusting bank account balance as at 31.03.2024  
 (b) Preparing the correct bank Reconciliation statement as at 31.03.2024

(04 marks)  
 (Total 12 marks)

6.

- (i) 1. Decrease  
 2. Increase (01 x 2 = 02 marks)

- (ii) 1. Flour  
 2. Sewers Salary (01 x 2 = 02 marks)

- (iii) (a) Nimanthi's Business

## Statement of production cost for the month of April 2024

Cost item	Rs.	Rs.
<b>Prime cost</b>		
Direct materials - Purchasing cut pieces cloth	60 000	$\frac{1}{2}$
Direct labour - Floor mat sewer wages	40 000	$\frac{1}{2}$
		100 000
<b>Production overhead cost</b>		
Indirect materials - Thread needle and other materials	2 000*	
Indirect Labour - Cleaners wages	10 000*	
Indirect other expenses - Electricity bill	5 000*	
Monthly rent	8 000*	
Depreciation of machines	1 000*	$\frac{1}{2}$
		26 000
<b>Total production cost</b> $\frac{1}{2}$		126 000 $\frac{1}{2}$

( $\frac{1}{2}$  marks for any three \* marks)  
 (03 marks)



(b) Number of floor mats produced = Rs. 1 000 (01 mark)

working or
$\frac{126\ 000}{126} \left\} \left(\frac{1}{2}\right)\right.$

(iv) (a)

**Bank Account  
as at 31<sup>st</sup> march 2024**

Date	Description	L/F	Value Rs.	Date	Description	L/F	Value Rs.
31.03.24	Balance b/f		33 000		Bank loan installment		5 000
	Direct remittances (Debtors)		13 000		Cheque book charges		1 000
				24.03.31	Balance c/d		40 000
			46 000				46 000
01.04.24	Balance b/f		40 000				

(02 marks)

(b)

**Bank reconciliation Statement for the month of March 2024**

	Rs.	Rs.
Adjusted bank balance		40 000
(+) Cheques issued but not presented to the bank	15 000	15 000
		55 000
(-) Cheques deposited but not realized	24 000	(24 000)
Bank balance as per bank statement as at 31.03.2024		31 000

(02 marks)

06	(i)		(ii)		(iii)		(iv)		12 12
	1	2	1	2	a	b	a	b	
	01	01	01	01	03	01	02	02	



7. (i) Write two items that are recorded as credit in Receipt and Payment account but not included in Income and Expenditure account in a not for profit organization. (02 marks)
- (ii) The following are some information extracted from accounts books prepared for the year ended 31.12.2023 in Dilena Tharu Sports Club.

Receipts during the year	Payments during the year
Membership fees Rs. 30 000	Maintaining the pavilion Rs. 12 000
Donations Rs. 10 000	Electricity charges Rs. 8 000

**Additional information :**

- Membership fees receivable Rs. 2 000 as at 31.12.2023
- Electricity charges to be paid Rs. 6 000 as at 31.12.2023

**Required :**

Writing four items with amounts that should be included in the Income and Expenditure account prepared for the year ended 31.12.2023 in Dilena Tharu Sports Club. (02 marks)

- (iii) Following is the trial balance of Duminda's retail trading business as at 31.12.2023.

	Debit (Rs.)	Credit (Rs.)
Purchases .....	380 000	
Sales .....		550 000
Stocks as at 01.01.2023 .....	80 000	
Carried inwards .....	10 000	
Debtors .....	190 000	
Creditors .....		244 000
10% Bank loan .....		100 000
Paid bank loan interest .....	6 000	
Distributing vehicles (at cost) .....	400 000	
Provision for depreciation of distributing vehicles (as at 01.01.2023) .....		40 000
Furniture and equipment (at cost) .....	120 000	
Electricity charges .....	60 000	
Advertisement expenses .....	44 000	
Cash balance .....	44 000	
Capital .....		400 000
	<u>334 000</u>	<u>1 334 000</u>

**Additional information :**

- Stock at 31.12.2023 is Rs. 88 000.
- Distributing vehicles by 5% and furniture and equipment by 10% are depreciated annually on straight line method.

**Required:**

- (a) The statement of Profit or Loss of Duminda's business for the year ended 31.12.2023 (04 marks)
- (b) The statement of Financial Position of Duminda's business as at 31.12.2023 (04 marks)
- (Total 12 marks)

7.

(i)

- Purchasing non-current assets
- Paying creditors
- Paying bank loan without interest
- Financing in an investment
- Opening a fixed deposit

( 01 x 2 = 02 marks)



(ii)

- Membership fee Rs. 32 000
- Donations Rs. 10 000
- Electricity charges Rs. 14 000
- Maintaining the Pavilion Rs. 12 000

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

(iii) (a)

**Duminda's business  
Profit or Loss Statement  
for the year ended 31.12.2023**

 $\frac{1}{2}$ 

	Rs.	Rs.		Rs.	Rs.
Stock as at 01/01/2023		80 000	Sales		550 000
(+) Purchases	380 000				
Carriage inward	10 000	390 000			
Cost of goods to be sold		470 000			
(-) Stock as at 31/12/23		(88 000) $\frac{1}{2}$			
Cost of Sales		382 000 $\frac{1}{2}$			
Gross Profit c/d		168 000 $\frac{1}{2}$			
		550 000			550 000
			Gross Profit b/f		168 000
<b><u>Distribution expenses</u></b>					
Depreciation of distribution Vehicles	20 000 $\frac{1}{2}$				
Advertisement expenses	44 000	64 000			
<b><u>Administration Expenses</u></b>					
Depreciation of furniture and equipments	12 000 $\frac{1}{2}$				
Electricity Charges	60 000	72 000			
<b><u>Financial expenses</u></b>					
Bank loan Interest		10 000 $\frac{1}{2}$			
Net Profit transferred to c/a		22 000 $\frac{1}{2}$			
		168 000			168 000

(04 Marks)



(b)

**Duminda's business**  
**The statement of financial position as at 31.12.2023**

	Rs.	Rs.		Cost Rs	Acc. Dep. Rs.	Carrying amount Rs.
Capital		400 000	<b><u>Non Current Assets</u></b>			
+ Net Profit		$\frac{1}{2}$ 22 000	Distribution			
		422 000	Vehicle	400 000	60 000	$\frac{1}{2}$ 340 000
			Furniture and Equipments	120 000	12 000	$\frac{1}{2}$ 108 000
<b><u>Non Current Liabilities</u></b>				520 000	72 000	448 000
10% Bank loan		100 000				
<b><u>Current Liabilities</u></b>			<b><u>Current Assets</u></b>			
Creditors	244 000		Stock 31/12/23		88 000	$\frac{1}{2}$
Accrued Bank loan interest	4 000	$\frac{1}{2}$	Debtors		190 000	
		248 000	Cash		44 000	
						322 000
		770 000				770 000

(04 Marks)



## Alternative Answer

(iii) (a)

**Duminda's business**  
**Profit or loss statement for the year ended 31.12.2023**

 $\frac{1}{2}$ 

	Rs.	Rs.	Rs.
Sales			550 000
<b>Less: Cost of Sales</b>			
Stock as at 01.01.2023		80 000	
(+) Purchases		380 000	
Carriage inwards		10 000	
Cost of goods to be sold		470 000	
(-) Stock as at 31.12.2023		(88 000)	$\frac{1}{2}$
<b>Cost of Sales</b>			(382 000) $\frac{1}{2}$
<b>Gross Profit</b>			168 000 $\frac{1}{2}$
<b>Less Expenses</b>			
<b><u>Distribution Expenses</u></b>			
Depreciation of distribution Vehicles	20 000 $\frac{1}{2}$		
Advertisement Expenses	44 000	64 000	
<b><u>Administration Expenses</u></b>			
Depreciation of Furniture and Equipment	12 000 $\frac{1}{2}$		
Electricity Charges	60 000 $\frac{1}{2}$	72 000	
<b><u>Financial Expenses</u></b>			
Bank loan interest	10 000 $\frac{1}{2}$	10 000	
			(146 000)
<b>Net Profit transferred to capital a/c</b>			22 000 $\frac{1}{2}$

(04 marks)





(b)

**Duminda's business**  
**The Statement of financial position**  
**as at 31.12.2023**

 $\frac{1}{2}$  $\frac{1}{2}$ 

	Cost Rs.	Acc. Dep. Rs.	Carrying Amount Rs.
<b><u>Non Current Assets</u></b>			
Distribution Vehicles	400 000	60 000	$\frac{1}{2}$ 340 000
Furniture and Equipments	120 000	12 000	$\frac{1}{2}$ 108 000
	520 000	72 000	448 000
<b><u>Current Assets</u></b>			
Stock as at 31.12.2023		88 000	$\frac{1}{2}$
Debtors		190 000	
Cash		44 000	322 000
Total Assets			770 000
Capital as at 01.01.2023		400 000	
(+) Net Profit		$\frac{1}{2}$ 22 000	422 000
<b><u>Non Current Liabilities</u></b>			
10% Bank loan			100 000 $\frac{1}{2}$
<b><u>Current Liabilities</u></b>			
Creditors		244 000	
Accrued Bank loan interest		4 000	$\frac{1}{2}$ 248 000
Total Equity and Liabilities			770 000

(04 Marks)

7	(i)	(ii)	(iii)	$\frac{12}{12}$
				
	02	02	04	

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# විනාශ ඉලක්ක පහසුවෙන් ජයගන්න

ඕනෑම පොතක් ඉක්මනින්  
නිවසටම ගෙන්වා ගන්න



කෙටි සටහන් | පසුගිය ප්‍රශ්න පත්‍ර | වැඩ පොත් සඟරා | O/L ප්‍රශ්න පත්‍ර |  
A/L ප්‍රශ්න පත්‍ර | අනුමාන ප්‍රශ්න පත්‍ර | අතිරේක කියවීම් පොත් |  
School Book ගුරු අතපොත්



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පෙර පාසලේ සිට උසස් පෙළ දක්වා සියළුම ප්‍රශ්න පත්‍ර,  
කෙටි සටහන්, වැඩ පොත්, අතිරේක කියවීම් පොත්, සඟරා  
**සිංහල සහ ඉංග්‍රීසි මාධ්‍යයෙන් හෙදරටම හෙත්වා හැකිවට**

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