



பலாந் அபிதாபன டெபார்ட்மென்டுவ - ஸ்டுடென்ட் பாலாந்
மகாணக் கல்வித் திணைக்களம் - வட மத்திய மகாணம்
DEPARTMENT OF EDUCATION - NORTH CENTRAL PROVINCE



GRADE

10

THIRD TERM TEST - 2023

Subject: 60 E - Business and Accounting Studies - I, II

School Name:

Index Number:

Time: Three Hours

Additional Reading time – 10 minutes

Business and Accounting Studies - I

Note: (i) Answer all questions.

(ii) In each of the questions from 1 to 40, pick one of the alternatives (1), (2), (3), (4) which you consider as correct or most appropriate and make a cross (x) in the circle corresponding to the number of your chosen answer from the circle provided for each question, on the answer sheet provided.

● **Answer the question No 01 to 05 paying attention to the following case.**

Anuradhapura Multipurpose Co-operative Society which provides school transport services, uses two buses for that purpose.

01. The human need that Anuradhapura Multipurpose Co-operative Society provides is,

- | | |
|-------------------|--------------------|
| (1) Education | (2) Transportation |
| (3) Communication | (4) Foods |

02. Based on the ownership, this business is,

- | | |
|--------------------------------------|--------------------------------------|
| (1) Government ownership | (2) Private ownership |
| (3) Government and private ownership | (4) Government and foreign ownership |

03. The law affecting for registration of this business is,

- | | |
|--------------------|--------------------|
| (1) No; 07 of 2007 | (2) 1890 |
| (3) No; 05 of 1972 | (4) No; 06 of 1918 |

04. According to the nature of the product, this business is,

- | | |
|------------------------------------|----------------------------------|
| (1) A transportation business | (2) An educational business |
| (3) A goods manufacturing business | (4) A service providing business |

05. The factor of production belonging to buses, used for school transport is,

- | | |
|-------------|----------------------|
| (1) Land | (2) Labour |
| (3) Capital | (4) Entrepreneurship |

06. The reason why incorporated companies are more popular than sole proprietorships and partnership is,

- (1) Independent decision making
- (2) Sharing profit
- (3) Continuity
- (4) Unlimited liability

07. Food is a and bread is a

- (1) Wants, Needs
- (2) Goods, Services
- (3) Needs, Goods
- (4) Needs, Wants

08. The stakeholders and their purposes are given below.

Stakeholders		Objectives	
1	Owner	A	Obtaining a fair salary
2	Employees	B	Debt collection
3	Financial institutions	C	Correct management decisions
4	Managers	D	Growth of the business

State the objectives of the stakeholders in order

- (1) DABC
- (2) DCBA
- (3) BCAD
- (4) DACB

09. By registering the business name of a partnership,

- (1) confirms ownership
- (2) acquires legal personality
- (3) continuity can be achieved
- (4) Liability is limited

10. Economic environmental factors are,

- (1) Inflation, Companies act, Migration.
- (2) Inflation, Savings, Modern machines.
- (3) Inflation, Exchange rates, Partnership.
- (4) Inflation, Exchange rates, Interest on loans.

11. An incorporated company that manufactures rubber related products, employed 30 workers for production process. This is,

- (1) A sole proprietorship
- (2) A large scale business
- (3) A service providing business
- (4) A small scale business

12. Which of the following statements is true regarding business organizations?

- (1) It is not mandatory to register a sole proprietorship.
- (2) Sole proprietorship have legal personality.
- (3) Registration of incorporated companies is done under the Business Names Ordinance.
- (4) The business does not end, even if the owner of a sole proprietorship becomes bankrupt.

13. Some businesses and business organizations are shown in the table below.

Business		Type of Business organization	
1	Damith PLC	A	Corporation
2	Samantha and sons	B	Department
3	Sri lanka ports authority	C	Partnership
4	Sri lanka examination department	D	Incorporated company

The type of business organizations suitable for businesses are,

- (1) DACB (2) DCBA (3) ABCD (4) DCAB

14. Followings are some characteristics of a business organization.

A - continued existence

B – full ownership is vested with the government

C – funded by the government

The type of this organization is,

- (1) State corporation. (2) State department.
(3) Co-operative society. (4) Partnership.

15. A – Goods and services are moved between countries.

B – Labour is moved between countries.

C – Capital is moved between countries without any restriction.

- (1) Economic environment. (2) Global environment.
(3) Technological environment. (4) Political environment.

16.

Country		Foreign currency	
1	Japan	A	Yuan
2	China	B	Yen
3	India	C	Sterling Pound
4	British (UK)	D	Rupee

Currency in order,

- (1) BADC (2) BCDA (3) BACD (4) ABCD

17. The account which indicates the principle of double entry, decreasing debit, increasing credit is,

- (1) Capital account. (2) Discount allowed account.
(3) Debtors account. (4) Purchases account.

18. Selling goods which cost Rs. 30,000 at Rs. 45,000 on credit basis. Because of this transaction,

- (1) Increase equity by Rs. 15,000. (2) Decrease equity by Rs. 15,000.
(3) Decrease assets by Rs. 45,000. (4) Decrease Liabilities by Rs. 30,000.

19. The transaction that affects the change in liabilities in the accounting equation of business is.

- | | |
|--|--|
| (1) Purchasing goods Rs. 35,000 in cash. | (2) Paying interest on bank loan Rs 6,000. |
| (3) Payment of electricity expenses Rs. 4,000. | (4) Purchasing goods Rs. 12,000 on credit. |

20. Out of the following, select the transaction that affect only the assets of a business.

- | | |
|---|---|
| (1) Investing Rs. 300,000 as capital. | (2) Obtaining bank loan of Rs. 500,000. |
| (3) Purchasing a machine for Rs. 300,000 on credit. | (4) Purchasing a machine for Rs. 300,000 in cash. |

21. Purchase of a photocopy machine on credit for the business use for Rs. 300,000 from Hasala PLC. The double entry to record this transaction is,

- | | | |
|-----------------------|----|------------|
| (1) Purchase account | Dr | Rs 300,000 |
| Cash account | Cr | Rs 300,000 |
| | | |
| (2) Machinery account | Dr | Rs 300,000 |
| Hasala PLC | Cr | Rs 300,000 |
| | | |
| (3) Machinery account | Dr | Rs 300,000 |
| Cash account | Cr | Rs 300,000 |
| | | |
| (4) Purchase account | Dr | Rs 300,000 |
| Hasala PLC | Cr | Rs 300,000 |

22. Current assets are,

- | | |
|----------------------------------|-------------------------------------|
| (1) Cash, Bank overdraft, Stock. | (2) Cash, Income receivable, Stock. |
| (3) Cash, Bank balance, Stock. | (4) Cash, Accrued expenses, Stock. |

23. The payable of a business that had arose as a result of past transactions or events are,

- | | | | |
|------------|------------|-----------------|--------------|
| (1) Equity | (2) Income | (3) Liabilities | (4) Expenses |
|------------|------------|-----------------|--------------|

24. Information of assets and liabilities of a business as at 01.01.2023 are given below.

Land	Rs 200,000	Bank loan	Rs 100,000
Motor vehicles	Rs 50,000	Creditors	Rs 15,000
Debtors	Rs 25,000	Bank overdraft	Rs 5,000
Stock	Rs 10,000		

The equity as at 01.01.2023 is Rs,

- | | | | |
|-------------|-------------|-------------|-------------|
| (1) 285,000 | (2) 120,000 | (3) 145,000 | (4) 165,000 |
|-------------|-------------|-------------|-------------|

25.

$$\begin{array}{ccccccccc} \text{Cash} & + & \text{Stock} & + & \text{Machinery} & = & \text{Bank loan} & + & \text{Creditors} & + & \text{Capital} \\ & & 70,000 & + & 150,000 & = & 50,000 & + & 5,000 & + & 300,000 \end{array}$$

The value of money in the above accounting equation is,

- (1) 135,000 (2) 355,000 (3) 220,000 (4) 150,000

26. The petty cash book balance of Sachintha's business as at 31.06.2023 was Rs 800. The reimbursement of petty cash imprest as at 01.07.2023 was Rs 9,200. The petty cash imprest of the business is Rs,

- (1) 10,000 (2) 9,200 (3) 800 (4) 8,400

27. Petty cash imprest of Samantha's business as at 01.01.2023 was Rs 4,000.

Petty cash expenses for the month of January are as follows,

Entertainment	Rs 400
Stationary	Rs 200
Payment to creditors	Rs 1,000
Miscellaneous	Rs 100

The value to be reimbursed is,

- (1) 1,600 (2) 2,300 (3) 4,000 (4) 1,700

28. The prime entry book which perform dual functions are,

A – Purchase Journal	B – Cash Book
C – Bank Account	D – Petty Cash Book

- (1) BCD (2) ABC (3) ACD (4) ABD

29. 10% discount is deducted when cash is received from a debtor in receipt of Rs 10,000 within the specified period. The double entry for discount allowed is,

- | | | |
|------------------------------|----|----------|
| (1) Discount allowed account | Dr | Rs 1,000 |
| Debtor's account | Cr | Rs 1,000 |
| (2) Discount allowed account | Dr | Rs 9,000 |
| Debtor's account | Cr | Rs 9,000 |
| (3) Discount allowed account | Dr | Rs 1,000 |
| Creditor's account | Cr | Rs 1,000 |
| (4) Debtor's account | Dr | Rs 1,000 |
| Discount allowed account | Cr | Rs 1,000 |

30. The trial balance prepared for Damsara's business as at 31st December 2023 did not balance. The total of the debit column was Rs 356,000 and the total of the credit column was Rs 463,000. The balance of the suspense account is Rs,

- (1) 100,700 (Cr) (2) 107,000 (Dr) (3) 100,070 (Dr) (4) 107,000 (Cr)

● **Answer question No; 31 to 32 using the following information.**

At the end of the accounting period, due to inequality of the trial balance of the business, a suspense account arose. On subsequent examination, the following errors were found.

- A – Purchase of Rs 20,000 has not been posted to the purchase account.
- B – A sales invoice of Rs 10,000 has not been recorded.
- C – The balance of salary account of Rs 5,000 has not been extracted to the trial balance.

31. Accounting errors that affect the agreement of the trial balance are,

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

32. Before correcting the above errors, the difference in trial balance is,

- (1) Rs. 15,000 (Dr) (2) Rs. 25,000 (Dr) (3) Rs. 15,000 (Cr) (4) Rs. 25,000 (Cr)

● **Answer question No; 33 to 34 using the following information.**

The bank account balance of Shantha's business as at 31st January 2023 was Rs 27,000 (Dr). But the bank statement at the same date shows a different balance. Reasons for the difference are as follows.

- A – Cheques have been issued but they have not yet been presented to the bank for payment Rs 15,000.
- B – A direct remittance to the current account in the bank by a debtor was Rs 5,000.
- C - Bank charges deducted by the bank Rs 1,000.
- D - Cheques have been deposited but not yet have been realized Rs 10,000.

33. The balance of the bank statement as at 31st January 2023 was Rs,

- (1) Rs. 31,000 (Cr) (2) Rs. 31,000 (Dr) (3) Rs. 36,000 (Dr) (4) Rs. 36,000 (Cr)

34. The balance of the adjusted bank account as at 31st January 2023 was Rs.

- (1) Rs. 32,000 (Dr) (2) Rs. 31,000 (Dr) (3) Rs. 26,000 (Dr) (4) Rs. 23,000 (Dr)

● **Answer question No; 35 to 37 using the following information.**

The following are the transections that had occurred in a business selling ornamental fish.

- A – Purchasing ornamental fish on credit basis Rs 30,000.
- B – Purchasing tank on credit basis Rs 150,000.
- C – Selling ornamental fish Rs 12,000.
- D – Selling ornamental fish on credit basis Rs 25,000.

35. The transaction recorded in the general journal is,

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

36. The transaction recorded in the purchase journal is,

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

37. The transaction recorded in the sales journal is,

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

38. Currently many businesses conduct their transactions automatically by computers. It is not an accounting software used in this way.

- (1) Accpac (2) MYOB (3) Sage (4) Windows

39. A stock with a marked price of Rs 18,000 was sold deducting a trade discount of 10%.

Prime entry book, source document and the value that are used to record in the book of account are,

	Prime entry book	Source document	Value Rs.
(1)	Cash book	Receipt	16,200
(2)	Sales journal	Invoice	18,000
(3)	Cash book	Receipt	18,000
(4)	Sales journal	Invoice	16,200

40. A – Purchase journal B – Sales journal
 C – Cash book D – General journal

Source documents related to above prime entry books respectively are,

- (1) Invoice, Invoice, Receipt, Journal voucher.
(2) Invoice, Receipt, Invoice, Journal voucher.
(3) Invoice, Journal voucher, Receipt, Invoice.
(4) Invoice, Invoice, Journal voucher, Receipt.

Business and Accounting Studies II

- Note:
- (i) Answer five questions in all.
 - (ii) Answer question No; 01 and two questions each from other two parts, part I and part II.
 - (iii) Answer written to more than five questions will be cut off without marking unless you have cut them off.

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

Nandana who lives in a rural area, started a local rice production business named “Dry Zone Local Rice” on the 01st of March 2023 with the land suitable for cultivation worth Rs 1,000,000 and Chanuka who has completed a degree in marketing. Chanuka invested Rs 500,000 as capital. Both agreed that Nandana should do the cultivation. There has been an increase in consumer demand for local rice recently.

The following transactions occurred in March 2023.

01/03/2023	Land preparation	Rs. 125,000
	For seeds (rice)	Rs. 50,000
	For compost	Rs. 50,000
	Labours	Rs. 18,000
	Organic agrochemicals	Rs. 25,000

- (i) (a) What is the human need satisfied by the “Dry Zone Local Rice”?
- (b) What is the human want satisfied by this business?
- (ii) (a) Write two strengths of this business.
- (b) Write two stakeholders of this business with examples.
- (iii) (a) Which type does this business belongs to according to the nature of product?
- (b) If it is classified according to the ownership, which type does this business belong to?
- (iv) Does the name of the business need to be registered? Give the reason for that.
- (v) Show with amount the accounting equation of this business as at 01st of March 2023.
- (vi) Name two prime entry books that should be used in this business.
- (vii) Prepare the cash book for the month of March 2023 and calculate the cash balance.
- (viii) Write the journal entry of this business to record the investing of the land as capital as at 01st of March 2023.
- (ix) State a non-current asset owned by this business with value.
- (x) State two transactions with value related to the decrease in ownership of this business.

(2 x 10 = 20 marks)

Part I – Business Studies
(Answer only two questions)

02. (i) (a). What is meant by human needs?
(b). Write two characteristics of human needs.
- (ii) State whether the following statements are true or false.
(a). Business begin with the exchange of goods.
(b). The government does not provide the necessary infrastructure for the growth of business.
(c). Strengths and weaknesses can be identified by analyzing the internal environment of businesses.
(d). Human needs are not satisfied by businesses.
- (iii) Information about two businesses is as follows.
1. Lakjaya PLC runs a chain of supermarkets.
2. Satharasinghe and Sons runs a business of school stationaries.
- (a). What types of business organizations do the above business belong to?
1. 2.
- (b). Mention the act affecting each business above.
1. 2.
- (iv) Dinapala Ltd runs a coconut husk shredding business using machinery worth Rs 2,500,000 and five employees. There is a high demand for these products from foreign countries.

Answer with reference to above information using a format as shown below.

	Factors of production	Example for factors of production
1		
2		

(2 x 4 = 08 marks)

03. (i) Classify basically the business environment
- (ii) State whether the following statements are true or false.
(a). Capital is the factor of production which natural resources belong to.
(b). Information is the continuous increase in the general price levels of goods and services.
(c). Possibility to obtain modern machinery and quality raw materials is a negative impact from the global environment.
(d). Stakeholders in a business always include an external and an internal party.
- (iii) There is a high demand in foreign countries for Sri Lankan workers with high professional qualifications.
- (a) Which factor of business environment is included in the above statement?
(b) Is it a positive impact on business or a negative impact on business?
- (iv). Studying and analyzing of the business environment is more important for a businessman.
What can be achieved by analyzing and studying the business environment?

(2 x 4 = 08 marks)

04. (i) State the classification business organizations based on the objectives.

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

- (a). The most common type of business organization in the world is the sole proprietorship.
- (b). Co-operative societies are a type of government owned business organization.
- (c). Incorporated companies do not have legal personality.
- (d). The minimum number of members in a co-operative society is ten.

(iii) The department of education will start a project to install solar panels for government schools from Surya Public Limited Company in 2024.

(a). The types of business organizations included in the above statement are,

- 1.
- 2.

(b). Classify the above business organizations based on the ownership.

- 1.
- 2.

(iv) Ashoka has Rs 2,000,000 of saved money and with that money he intends to start a business.

- (a). If Ashoka intends to conduct the business independently, which type of business organization suitable to start?
- (b). If he intends to conduct the business with limited liability and continued existence, which type of business organization suitable to start?

(2 x 4 = 08 marks)

Part II – Accounting Studies
(Answer only two questions)

5. (i) (a) What is the main objective of accounting.

(b) State two characteristics of a liability.

(c). Write two transactions that result in an increase in equity

(d). What do you mean by “The Ledger”?

(02 marks)

(ii) The transactions which were occurred in the first week of January 2023 are as follows.

01/01/2023 – Investing capital of Rs 350,000.

05/01/2023 – Purchasing a stock of goods on credit from Anjana Rs 70,000

06/01/2023 – Sold goods which cost Rs 30,000 at Rs 45,000 in cash.

07/01/2023 – Paid Rs 3,000 as salaries.

Required,

(a). Indicate how each of the above transactions influences the accounting equation.

$$\text{Assets} = \text{Equity} + \text{Liabilities}$$

(b). What is the value of the equity as at 07th of January 2023.

(c). What is the value of the current assets as at 07th of January 2023. (06 marks)

(iii) The transactions of Anjalee's business occurred during the month of January 2023 are as follows.

01/01/2023 – Invested Rs 50,000 as the capital.

02/01/2023 – Obtain a bank loan of Rs 30,000

03/01/2023 – Purchased equipment at Rs 25,000.

04/01/2023 – Purchased trade goods at Rs 15,000 on cash.

Required,

Post the above transactions to the ledger accounts of Anjalee's business. (04 marks)

06. (i). (a) What do you mean by "Suspense account"?

(b) Write two types of transactions recorded in a general journal. (02 marks)

(ii). Purchase of a machine for Rs 120,000 from Arjuna PLC on credit basis.

(a) Name the prime entry book that should be used to record the above transaction.

(b) Write the journal entry to record the above transaction. (02 marks)

(iii). After examining the transactions occurred during the month of January 2023, the following errors were revealed.

1. A purchase invoice of Rs. 30,000 has not been recorded.

2. Payment of electricity charges of Rs 5,000 has been recorded only in the cash book.

3. The balance in the investment income account of Rs 7,000 has not been extracted to the trial balance.

Required

(a). Journal entries to rectify the above errors.

(b). Prepare the suspense account. (04 marks)

(iv). The balance of the bank account of Anusha's business as at 31st January 2023 was Rs 28,500 but this balance did not tally with the balance of the bank statement.

Following were revealed as the reasons for this difference.

1. Cheques deposited but not realized was Rs 28,000.

2. Fees charged by the bank that were not recorded in the bank account

Bank charges Rs 1,000

Cheque book charges Rs 500

3. Cheques issued but not yet presented to the bank for payment Rs 37,000.

4. Transactions made by the bank on behalf of the business.

Debtor's direct remittance Rs 6,000

Insurance paid on standing orders Rs 2,000

Required

(a). Adjusted bank account as at 31st January 2023.

(b). Bank reconciliation statement as at 31st January 2023.

(04 marks)

07. (i). Name the relevant source documents and prime entry books to record the following transactions.

(a) Issuing a cheque for payment of salary Rs 15,000.

(b) Purchase a motor vehicle worth Rs 200,000 from Dasun Company.

(02 marks)

(ii) Petty cash transactions occurred in Supun's business are given below.

1/1. Imprest received Rs. 5,000

1/2. Stationaries bought Rs. 500

1/3. Bought tea and suger Rs. 400

1/4. Trishow charges Rs. 350

1/5. Paid to creditor, Upali Rs. 1,000

1/6. Bought cleaning items Rs. 550

1/7. Reimbursed the imprest

Required;

Prepare the petty cash book with analysis columns for Stationaries, Travelling, Entertainment and Miscellaneous.

(06 marks)

(iii). Record the following transactions in a purchase journal and a sales journal.

Date	Supplier Buyer	Invoice No	Value Rs	Trade discount
10/01	Anjana	15	30,000	10%
10/07	Ajantha	35	70,000	20%
10/20	Suranga	100	50,000	10%
10/25	Ranga	101	35,000	10%

Required;

(a) Purchase journal.

(b) Sales journal.

(04 marks)



LOL.lk
BookStore

විභාග ඉලක්ක

පහසුවෙන් පියවන්න

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 අත්පොත්



pesuru
Prabhathana Private Ltd.

Akura Pilot



සමනල
දැනුම

T

සුභර

පෙර පාසලේ සිට උසස් පෙළ දක්වා සියලුම ප්‍රශ්න පත්‍ර,
කෙටි සටහන්, වැඩ පොත්, අතිරේක කියවීම් පොත්, සඟරා
සිංහල සහ ඉංග්‍රීසි මාධ්‍යයෙන් ගෙදරටම ගෙන්වා ගැනීමට

www.LOL.lk වෙබ් අඩවිය වෙත යන්න