

සියලු ම හිමිකම් ඇවිරිණි / முழுப் பதிப்புரிமையுடையது / All Rights Reserved

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இலங்கைப் பரீட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம்  
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අධ්‍යයන පොදු සහතික පත්‍ර (සාමාන්‍ය පෙළ) විභාගය, 2022 (2023)  
கல்விப் பொதுத் தராதரப் பத்திர (சாதாரண தர)ப் பரீட்சை, 2022 (2023)  
General Certificate of Education (Ord. Level) Examination, 2022 (2023)

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

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

#### Instructions:

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

- Answer the questions No. 1 to 5 using the following case.

Nalin, an engineer resides in the 'Rossvila' apartment after completing his doctoral studies. He conducts a domestic solar panel manufacturing and distribution business as 'Vijaya Solar Panel'. Sun Power (Pvt) Limited supplies raw materials for the production constantly. Supun helps for the manufacturing activities. The products are distributed through the chain of 'Teccity' Supermarkets owned by Ruwan.

1. In the above case, Nalin has fulfilled his housing need from
  - (1) Vijaya Solar Panel business.
  - (2) Teccity Supermarket.
  - (3) Sun Power (Pvt) Limited.
  - (4) Rossvila Lodge.
2. Select the answer which includes only the external environmental factors of the Vijaya Solar Panel business.
  - (1) Nalin, Teccity supermarket
  - (2) Ruwan, Sun Power (Pvt) Company Limited
  - (3) Supun, Teccity supermarket
  - (4) Supun, Sun Power (Pvt) Company Limited
3. To the Vijaya Solar Panel business, the chain of Teccity supermarket is
  - (1) a strength. (2) a weakness. (3) an opportunity. (4) a threat.
4. An example for the capital which is a production factor of Nalin's business, is
  - (1) the building of Teccity supermarket.
  - (2) the building of Sun Power (Pvt) Company Limited.
  - (3) the apartment of Rossvilla.
  - (4) the building of Vijaya Solar Panel business.
5. A reason for Sun Power (Pvt) Company Limited to be interested in Vijaya Solar Panel business is
  - (1) to obtain dividends.
  - (2) to get continuous orders.
  - (3) to obtain products at a fair price.
  - (4) to ensure the security of the investment.

6. Nowadays most businesses prefer to be operated as an incorporated company than partnerships. The reason for this is
- (1) the distribution of profits.
  - (2) the division of ownership.
  - (3) the unlimited liability.
  - (4) the legal entity.

7. Madagama Multipurpose Cooperative Society Limited is a .....<sup>①</sup> sector .....<sup>②</sup> organization.

Select the answer that shows the correct terms to the places <sup>①</sup> and <sup>②</sup> in the above statement respectively.

- (1) private, for profit
  - (2) private, not for profit
  - (3) public, for profit
  - (4) public, not for profit
8. In transactions of cheques, the commercial bank always is
- (1) the drawer.
  - (2) the drawee.
  - (3) the payee.
  - (4) the endorser.

9. Following are some facilities provided by a commercial bank.

A - Providing bank overdrafts

B - Paying interests for deposits

C - Implementing standing orders

D - Paying through cheques

From the above, the facilities that only a current account holder can receive are,

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

10. Some communication modes and methods are given in the following table.

Communication modes	Communication methods
1. Verbal	A - Fax message
2. Written	B - Telephone
3. Electronic verbal	C - Meeting
4. Electronic written	D - Notice board

Select the answer that the above communication modes are correctly matched with the communication methods according to the given order.

- (1) A, C, B, D
  - (2) B, A, C, D
  - (3) C, D, A, B
  - (4) C, D, B, A
11. Nuwan's motor vehicle which was insured for Rs.5 000 000 met with an accident. But the insurance company paid only the loss of Rs.800 000. The insurance principle affected on this, is
- (1) utmost good faith.
  - (2) indemnity.
  - (3) insurable interest.
  - (4) subrogation.

12. Mihiri sells fruits that are cultivated in her garden to Kumara who runs a fruits stall. Ruwan's wife says that the fruits bought from Kumara are delicious.

Select the correct statement according to the above case.

- (1) Kumara purchasing fruits from Mihiri is a wholesale trade
- (2) Ruwan purchasing fruits from Kumara is a wholesale trade.
- (3) Kumara selling fruits to Ruwan is a wholesale trade.
- (4) Mihiri selling fruits to Kumara is a retail trade.

13. An example for the terminal which is an element of transportation, is
- (1) Bandaranaike International Airport.
  - (2) Ceylon Electricity Board.
  - (3) Road Development Authority of Sri Lanka.
  - (4) Ceylon Petroleum Corporation.
14. An activity in a school for planning which is a management function, is
- (1) providing students year end progress reports.
  - (2) marking the students attendance register.
  - (3) appointing sectional heads.
  - (4) preparing the class timetable.
15. An entrepreneur designs a reusable package for his product.  
What is the variable of the marketing mix that this package is included in?
- (1) product
  - (2) price
  - (3) place
  - (4) promotion
16. An investor can get only the capital gains by investing in
- (1) jewelleryes and lands.
  - (2) lands and shares.
  - (3) fixed deposits and treasury bills.
  - (4) shares and savings accounts.
17. The double entry principle of increase debit and decrease credit is relevant to only for
- (1) assets.
  - (2) expenses.
  - (3) assets and expenses.
  - (4) expenses and liabilities.
18. A transaction that affects to change the equity of the accounting equation of a business is
- (1) purchasing a stock of goods of Rs.5000 on credit.
  - (2) paying the electricity bill of business Rs.12000.
  - (3) purchasing furniture of Rs.50000 in cash.
  - (4) receiving a cheque of Rs.14000 from a debtor.
19. Rahul sold a stock of goods which costs Rs.7000 at Rs.10000 in cash. Through this transaction, the amount of total assets of his business
- (1) increases by Rs.3000.
  - (2) decreases by Rs.7000.
  - (3) increases by Rs.10000.
  - (4) does not change.
20. The accounting equation of Rayan's business as at 31.03.2023 was as follows.
- |         |   |         |   |             |
|---------|---|---------|---|-------------|
| Assets  | = | Equity  | + | Liabilities |
| (Rs.)   |   | (Rs.)   |   | (Rs.)       |
| 150 000 |   | 100 000 |   | 50 000      |
- After a transaction, the values of this accounting equation was not changed. What is that transaction?
- (1) Paying Rs.7500 to a creditor
  - (2) Receiving Rs.10000 from a debtor
  - (3) Receiving a commission income of Rs.15000
  - (4) Purchasing furniture of Rs.100000 for office on credit
21. What is the transaction that decreases both assets and liabilities in a business?
- (1) The owner gets Rs.10000 from the business for his personal use.
  - (2) The business receives Rs.7000 from a debtor.
  - (3) The business purchases a stock of goods of Rs.8000 on credit.
  - (4) The business pays Rs.5000 to a creditor in cash.

22. A business purchases furniture of Rs.250 000 from 'Moratu Furnitures' in cash for the office. Select the correct double entry for this transaction.

- |                       |                |                             |                |
|-----------------------|----------------|-----------------------------|----------------|
| (1) Purchases account | Dr. Rs.250 000 | (2) Purchases account       | Dr. Rs.250 000 |
| Cash account          | Cr. Rs.250 000 | 'Moratu Furnitures' account | Cr. Rs.250 000 |
| (3) Furniture account | Dr. Rs.250 000 | (4) Furniture account       | Dr. Rs.250 000 |
| Cash account          | Cr. Rs.250 000 | 'Moratu Furnitures' account | Cr. Rs.250 000 |

● Answer questions No. 23 and 24 using the following information.

Following are some transactions occurred in a business.

A - Purchases on credit Rs.20 000

B - Sales in cash Rs.30 000

C - Payment to a creditor Rs.25 000

D - Purchase of a computer on credit to the office Rs.100 000

23. The transaction that the paying voucher is used as the source document is

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

24. What is the prime entry book that is **not** used to record the above transactions A, B, C, and D?

- (1) Purchases journal (2) Sales journal  
(3) Cash book (4) General journal

25. Select the transaction that the double entry is recorded in two prime entry books.

- (1) Receiving a cheque of Rs.15 000 from a debtor  
(2) Receiving Rs.3 600 to reimburse the petty cash imprest  
(3) Purchasing a motor vehicle of Rs.2 500 000 to the business in cash  
(4) Paying owner's private insurance premium of Rs.10 000 from the money in the business

26. The balance of petty cash book of Rehan's business was Rs.500 as at 31.03.2023. Amount of Rs.4 500 was received for the reimbursement of petty cash imprest on 01.04.2023. The balance of petty cash book was Rs.400 as at 30.04.2023. The amount received for the reimbursement of petty cash imprest on 01.05.2023 is

- (1) Rs.4 500. (2) Rs.4 600. (3) Rs.5 000. (4) Rs.5 400.

27. The following is the double entry relevant to a certain transaction recorded in the ledger of Shakthi business.

Bank account	Dr. Rs.12 000
Sales account	Cr. Rs.12 000

Select the transaction relevant to the above double entry.

- (1) Depositing the cheque of Rs.12 000 received from a debtor in the bank  
(2) Transferring a cheque of Rs.12 000 received for sales in cash to Supun  
(3) Depositing the cheque of Rs.12 000 received for sales in cash, in the bank at the same time  
(4) Depositing the cheque of Rs.12 000 received last week for sales in the bank

28. The balance of bank account of Sathara business was Rs.12 500 as at 31.03.2023. On the same date, the bank statement balance was Rs.9 000. Only one transaction affected for this change. That transaction is

- (1) the amount of Rs.3 500 sent directly to bank account of the business by a debtor.  
(2) the dividend income of Rs.3 500 sent directly to the bank account of the business.  
(3) the cheque of Rs.3 500 issued to a creditor by the business and not presented to the bank.  
(4) the electricity bill of Rs.3 500 paid by the bank on standing order.

29. Select the transaction that is debited to the bank account when adjusting the balance of the bank account of the business after receiving the bank statement.
- (1) Electricity charges of Rs.2500 paid by the bank on standing orders
  - (2) Cheque book fee of Rs.1500 charged by the bank
  - (3) Amount of Rs.5000 deposited directly in the bank by a debtor
  - (4) Service charges of Rs.2000 charged by the bank
30. To calculate the results of the economical activities done in a certain period, not for profit organizations prepare
- (1) the income and expenditure account.
  - (2) the receipt and payment account.
  - (3) the statement of financial position.
  - (4) the trading and profit or loss account.
31. What is the transaction that is recorded in the receipt and payment account but **not** included in the income and expenditure account in a sports society?
- (1) Purchasing sports equipment Rs.2500
  - (2) Receiving membership fees Rs.5000
  - (3) Selling newspapers Rs.2000
  - (4) Depreciation of sports equipment Rs.1000

- Answer questions No. 32 to 34 using the following information.

Following are expenses relevant to a business that produces wooden almirahs, for the month ended 31.01.2023.

	Rs.
A – Purchasing wood .....	280 000
B – Carpenter's salary .....	200 000
C – Sand papers, polish, nails and etc. ....	15 000
D – Electricity bill .....	12 000
E – Designing expenses .....	17 000
F – Machine repairing expenses .....	5 000

32. Select the answer that includes only the items relevant to calculate the prime cost of the production of wooden almirahs.
- (1) A and B
  - (2) A, B and C
  - (3) A, B and E
  - (4) A, B, C and E
33. The overhead cost relevant to the production of wooden almirahs for the month ended 31.01.2023 is
- (1) Rs.17000.
  - (2) Rs.32000.
  - (3) Rs.44000.
  - (4) Rs.49000.
34. An expense relevant to the indirect material cost of the production of wooden almirahs is
- (1) A.
  - (2) B.
  - (3) C.
  - (4) D.

- Following are some information extracted from the trial balance prepared as at 31.12.2022 of Amara's business which was started at 01.01.2022.

	Rs.
Capital .....	200 000
Cash balance .....	28 000
Sales .....	300 000
Debtors .....	35 000
Creditors .....	45 000
Purchases .....	190 000
Furniture and Equipment .....	120 000
10% Bank loan .....	100 000

1. Monthly building rent is Rs.2 500 and Rs.24 000 has been paid in cash as building rent during the year.
2. Furniture and equipment is depreciated by 5% annually on straight line basis.
3. Rs.5 000 should be written off as bad debt from the debtors as at 31.12.2022.
4. Bank loan was obtained on 01.07.2022. The loan interest had not been paid until 31.12.2022.
5. Stock as at 31.12.2022 is Rs.44 000.

- (1) Rs. 300 000 – Rs. 190 000                      (2) Rs. 190 000 – Rs. 44 000  
 (3) Rs. 300 000 – (Rs. 190 000 + Rs. 44 000)    (4) Rs. 300 000 – (Rs. 190 000 – Rs. 44 000)

- (1) Rs.2 500                      (2) Rs.6 000                      (3) Rs.24 000                      (4) Rs.30 000

- (1) building rent to be paid Rs.6000.
- (2) bank loan interest to be paid Rs.10 000.
- (3) building rent paid Rs.24 000.
- (4) bank loan Rs.100 000.

- (1) Depreciation of furniture, loan interest
- (2) Bad debt, building rent
- (3) Building rent, depreciation of furniture
- (4) Bad debt, loan interest

- (1) Rs.5 000.                      (2) Rs.10 000.                      (3) Rs.100 000.                      (4) Rs.105 000.

- (1) Rs.5 000.                      (2) Rs.30 000.                      (3) Rs.35 000.                      (4) Rs.40 000.

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**අධ්‍යයන පොදු සහතික පත්‍ර (සාමාන්‍ය පෙළ) විභාගය, 2022 (2023)**  
**கல்விப் பொதுத் தராதரப் பத்திர (சாதாரண தர)ப் பரீட்சை, 2022 (2023)**  
**General Certificate of Education (Ord. Level) Examination, 2022 (2023)**

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

**Business and Accounting Studies II****Instructions :**

- \* Including question No. 1 answer **five** questions selecting **two** questions from each of the parts **I** and **II**.
- \* As instructed answer **five** questions only. Any extra questions answered, if not struck off by the candidate himself/herself, will be crossed out by the examiner, without being marked.

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

Raja, a resident of Pollonnaruwa started a business on 01.01.2023 for selling rice as 'Hela Sahal' in a rented building with an investment of Rs.800 000. On the same day, he obtained a bank loan of Rs.500 000 at a 12% annual interest from the rural bank and purchased a rice mill of Rs.900 000 and other equipment of Rs.100 000.

Raja's son Kosala who came after completing the degree of Business Administration engages in management of the business. Supun was recruited for drying boiled wet paddy in sunlight and milling paddy.

Following are the transactions occurred for the month ended 31.01.2023.

	Rs.
Purchasing paddy in cash .....	150 000
Selling rice in cash .....	431 500
Paying electricity bill .....	15 000
Paying employee salary .....	60 000
Paying distribution lorry charges .....	40 000
Paying manager's salary .....	50 000
Selling rice husk .....	50 000

**Additional information:**

- Rice mill should be depreciated on straight line basis at 12% annually.
- No remaining stock of paddy or rice as at 31.01.2023.
- The interest on bank loan was not paid as at 31.01.2023.
- The monthly building rent Rs.10 000 was not paid till 31.01.2023.

There was an intensive competition among rice producers with the decrease of paddy production as a result of the severe drought in the previous season. The government enforced a control price on purchasing paddy too. Because of this, 'Hela Sahal' business has decided to reduce the selling price of a kilogram of rice by one rupee.

- (a) What is the human want satisfied by 'Hela Sahal' business?  
 (b) State **two** stakeholders with examples of 'Hela Sahal' business.
- Write examples for each production factor, land, labour, capital and entrepreneurship in 'Hela Sahal' business by extracting from the case.

- (iii) (a) State a strength and a threat of 'Hela Sahal' business.  
(b) Write an example for an economic environmental factor of 'Hela Sahal' business included in the case.
- (iv) Write an example for each of the following in 'Hela Sahal' business.  
(a) The product of the marketing mix  
(b) Planning which is a management function
- (v) Write the double entry with amounts relevant to obtaining the bank loan.
- (vi) (a) Write **two** source documents that 'Hela Sahal' business uses.  
(b) Write a direct cost and an indirect cost with amounts included in the cost of production of 'Hela Sahal' business.
- (vii) Calculate the cash in hand of 'Hela Sahal' business as at 31.01.2023.
- (viii) Calculate the net profit or loss of 'Hela Sahal' business for the month ended 31.01.2023.
- (ix) State **two** current liabilities with amounts of 'Hela Sahal' business as at 31.01.2023.
- (x) Calculate the total assets and equity of 'Hela Sahal' business as at 31.01.2023.

(02 × 10 = 20 marks)

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

2. (i) Write **two** advantages gained by registering the business name of a sole proprietorship.
- (ii) State whether the following statements are **true** or **false**. (02 marks)
  - (a) A business always fulfills a human need and a want.
  - (b) A business always is established aiming profit.
  - (c) The stakeholders of a business always belong to the internal environment of the business.
  - (d) The investor's liability in an incorporated company is limited to the amount of investment. (02 marks)
- (iii) 'Lak Tea' private company limited has started a project to build 50 tube wells for people in Uva province with the approval of National Water Supply and Drainage Board and Department of Rural Development.
  - (a) Write the human need and want fulfilled by this project respectively.
  - (b) State **two** business organizations in the case and categorize them according to the ownership. (02 marks)
- (iv) The following are two actions taken by two businesses.
  - A - According to the recommendations of Central Bank of Sri Lanka, 'Fast cash' Finance Company increased the annual interest rate on deposits from 15% to 20%.
  - B - 'Amarasa' cashew producers got a new computer app for their online customers from 'End software' private company.
  - (a) Name the environmental factors related to the above actions A and B.
  - (b) State the followings included in above A and B.
    - 1. a service providing business
    - 2. a commodity manufacturing business

(02 marks)  
(Total 08 marks)

3. (i) Name the elements of transportation. (02 marks)
- (ii) State whether the following statements are **true** or **false**.
  - (a) Selling a product or a service for final consumption is retail business.
  - (b) In the process of communication, how the receiver acts on the message, is feedback.
  - (c) A person should have a bank account to obtain a credit card.
  - (d) The legal right of a certain party to obtain an insurance for a life or a property, is known as insurable interest. (02 marks)

(iii) Following is a format of a cheque with letters (A) to (F).

BANK OF CEYLON

Pay to the order of **(B)**

Date **(C)** 20

Amount in words **(D)** Rs. **(E)**

0080301516 **(F)**

Write the letter relevant to the elements of a cheque given in the following table using the above cheque. (The letter relevant to the first element has been given.)

Elements of a cheque	Letter
1. The date of the cheque	C
2. Drawer's signature	
3. Drawee	
4. Name of the payee	
5. Amount in number	

(02 marks)

(iv) Yamuna paid her motor insurance payment to Sri Lanka Insurance Corporation while she was returning after participating in the workshop 'Business targets'. She called to the Netcom private company on her mobile phone and inquired about the designing of her business web page too.

(a) Name the first party and second party of the insurance included in the above case respectively.

(b) Write a communication method included in the above case and the communication mode relevant to it respectively.

(02 marks)

(Total 08 marks)

4. (i) Name the functions of Management.

(02 marks)

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

(a) Only capital gains can be obtained by investing in properties.

(b) There is a negative relationship between risk and return in an investment.

(c) In the marketing mix, the price is the only variable that generates income for the business.

(d) A business needs management to get the maximum benefits from the limited resources.

(02 marks)

(iii) A jewellery production business decided to obtain new designs through online and to increase the advertising expenses with the purpose of improving sales.

(a) Write **two** variables of the marketing mix included in the above case.

(b) Write an example for the each variable you mentioned in above (a) by extracting from the case.

(02 marks)

(iv) Ruwan expects capital gains and Sapumal expects interest income by investing their savings.

(a) Write **two** sources of investment that Ruwan should select.

(b) Write **two** methods of investment that Sapumal should select.

(02 marks)

(Total 08 marks)

**Part II - Accounting**  
(Answer two questions only.)

5. (i) Write two characteristics of a liability. (02 marks)
- (ii) State whether the following assets are current assets or non-current assets.
- Stock purchased for selling
  - Office furniture
  - Machines and equipment
  - Rent to be received
- (02 marks)
- (iii) Total assets was Rs.200 000 and total liabilities was Rs.50 000 in Nadun's business as at 01.01.2023. The following are the transactions occurred in this business on 01.01.2023.
- Purchasing a stock of goods of Rs.10 000 on credit
  - Paying to a creditor of Rs.5 000
  - Receiving from a debtor of Rs.15 000
  - Paying stationary expenses of Rs.5 000
  - Selling a stock of goods which cost of Rs.10 000 at Rs.15 000 on credit

**Required:**

- (a) Indicating how the above transactions affect to the accounting equation of Nadun's business as at 01.01.2023. (Use a format similar to one given below for answering. The impact of the first transaction has been given)

Transaction	Assets (Rs.)	=	Equity (Rs.)	+	Liabilities (Rs.)
(a)	+ 10 000 (stock)		-		+ 10 000 (creditors)
(b)					
(c)					
(d)					
(e)					

- (b) The accounting equation of Nadun's business as at 01.01.2023 with amounts after the above transactions. (04 marks)
- (iv) The following are purchases on credit of Shan's business.

Date	Invoice No.	Supplier	Amount (Rs.)
03.01.2023	65	Pubudu	25 000
10.01.2023	123	Asanka	18 000
25.01.2023	135	Saman	12 000

**Required:**

- Recording the above transactions in purchase journal in Shan's business
- Recording the transactions in purchase journal in relevant ledger accounts as at 31.01.2023

(04 marks)  
(Total 12 marks)

6. (i) Write the element of production cost relevant to the following each expense.  
 (a) Payment for fashion designer of a garment factory  
 (b) Payment for using water to mix the clay in a bricks production business (02 marks)
- (ii) Write **four** items included in a bank statement sent by commercial banks to their current account holders. (02 marks)
- (iii) 'Sanhinda' Book Printers received an order to print 1000 copies of a children book in January 2023. The production was completed according to the order on 31.01.2023, and the expenses paid for it are as follows:

	Rs.
Printing papers .....	80 000
Production supervisor salary .....	40 000
Printing machine operator salary .....	60 000
Glue, thread, paint and other materials .....	5 000
Electricity bill of printing section .....	15 000
Salary of watcher in printing section .....	28 000
Royalty paid per book .....	20
Repairing expenses of printing machine .....	3 000
Purchasing a new printing machine .....	150 000

- No any stock of material remains as at 31.01.2023.

**Required:**

- (a) Preparing the statement of production cost for the month of January 2023  
 (b) Calculating the production cost of a children book (04 marks)
- (iv) The favourable bank balance of Semini's business was Rs.38 000 as at 31.03.2023. On the same day, the balance of the bank statement was Rs.21 000. The reasons for this difference are as follows.
1. A cheque of Rs.14 000 deposited during the month of March was not realised.
  2. Bank loan installment of Rs.45 000 was paid by the bank on standing order.
  3. A cheque of Rs.15 000 issued to a creditor, during the month of March was not presented to the bank.
  4. A debtor deposited Rs.27 000 directly in the bank account of the business.

**Required:**

- (a) Adjusting the balance of the bank account as at 31.03.2023  
 (b) Preparing the bank reconciliation statement as at 31.03.2023 (04 marks)
- (Total 12 marks)**

7. (i) Write **two** differences between the Receipt and Payment account and the Income and Expenditure account prepared by not for profit businesses. (02 marks)
- (ii) Total number of members of the Eksath Children Society is 250. Monthly membership fee of a member is Rs. 50. Annual membership fees of the year 2022 have been paid by the members except 20.

**Required:**

- (a) The amount of membership fee for the year 2022 recorded in the Receipt and Payment account.  
 (b) The amount of membership fee recorded in the Income and Expenditure account for the year ended 31.12.2022. (02 marks)

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(iii) Following is the trial balance of Sonali's retail business as at 31.12.2022.

	Debit (Rs.)	Credit (Rs.)
Purchases .....	360 000	
Sales .....		538 000
Furniture and equipment .....	180 000	
Stock (as at 01.01.2022) .....	80 000	
8% Bank loan .....		100 000
Electricity charges .....	12 000	
Carried inwards .....	18 000	
Distribution expenses .....	6 000	
Building rent .....	20 000	
Bank charges .....	2 200	
Debtors .....	70 000	
Creditors .....		50 000
Cash balance .....	45 000	
Bank overdraft .....		12 000
Paid overdraft interest .....	500	
Advertisement expenses .....	6 300	
Machines .....	200 000	
Capital .....		300 000
	<u>1 000 000</u>	<u>1 000 000</u>

**Additional information:**

- Stock as at 31.12.2022 is Rs.48 000.
- Machines should be depreciated by 10% annually on straight line method.
- Electricity charges to be paid as at 31.12.2022 is Rs.2 000.

**Required:**

- (a) The Statement of Profit or Loss of Sonali's business for the year ended 31.12.2022 (04 marks)
- (b) The Statement of Financial Position of Sonali's business as at 31.12.2022 (04 marks)
- (Total 12 marks)**

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