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දෙවන වාර ඇගයීම - 2025 Second Term Evaluation - 2025			
ශ්‍රේණිය } Grade	10	විෂයය } Subject	Business & Accounting Studies I
		කාලය } Time	1 Hr

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Answer all the questions.

Kumar Satharasinghe has successfully completed a construction course. Later on, he started a business called 'Kumar construction' engage in producing concrete brick, concrete pots & interlock bricks etc. A machine was purchased to produce concrete bricks. Prices of the products were increased as a result of increasing prices of cement & sand.

01.What is the human need fulfilled by 'Kumar Contruction ?

- | | |
|-------------|--------------|
| 1. Food | 3. Education |
| 2. Clothing | 4. Shelter |

02.what is the type of 'Kumar construction' according to the nature of the product ?

- | | |
|-------------------------------------|---------------------------------|
| 1. Service supplying business | 3. Sole proprietorship business |
| 2. Commodity manufacturing business | 4. Partnership business |

03.Concrete bricks manufacturing machine belongs to the production factor

- | | |
|------------|---------------------|
| 1. Capital | 3. Land |
| 2. Labour | 4. Entrepreneurship |

04.A threat to 'Kumar Contruction' is,

1. Purchasing a machine to produce concrete bricks
2. Naming the business as 'Kumar Construction'
3. Increasing prices of cement & sand
4. Kumar having completed a course in construction

05.What is the incorrect statement regarding 'Kumar Construct'

1. It is mandatarly to register the business name
2. Liability of the business is unlimited
3. Kumar construction is a profit motive business
4. Increasing prices of cement & sand is a weakness of the business

06. Select the correct statement regarding needs & wants

1. It is not mandatory to fulfill the needs to live
2. Needs can be created
3. There are different ways of fulfilling the same need
4. Wants are not complex

07. One of the common business objective is,

- | | |
|--|-------------------------------------|
| 1. Creation of jobs | 3. Increasing customer satisfaction |
| 2. Increasing the quality of good & services | 4. Employee welfare |

08. What is a business strength ?

1. Environmental & life style changes
2. Experienced employees
3. Allowing tax relief to the business
4. Implementation of infrastructure development policies by the government

09. of the business are interested about safety of the investment & are interested in receiving quality products.

- | | |
|-----------------------|-------------------------|
| 1. Owners , Customers | 3. Managers , Employees |
| 2. Owners , Employees | 4. Managers , Customers |

10. The government has announced an infrastructure development policy for the business. What is the relevant business environment for this?

- | | |
|--------------------------|------------------------------|
| 1. Legal environment | 3. Technological environment |
| 2. Political environment | 4. Economical environment |

11. Select the correct statement out of followings.

1. Businessmen are encouraged to obtain loan facilities by increasing the loan interest rates
2. Employment savings etc are belong to political environment
3. Ability of purchasing increases as a result of the inflation
4. Consumers are protected by the government imposing laws on businesses

12. By companies act no. 07 of 2007,

1. Decides the maximum number of members of a partnership business
2. Advices about the registration of a partnership business
3. Tells that there should be a written agreement if the opening capital exceeds Rs. 1000
4. Shows how to act on the situations that are not included in partnership agreement

13. Select the answer which includes businesses with social welfare motive.
1. Societies , Co - operative , state department
 2. Co - operative , Partnerships , State departments
 3. Societies , Incorporated Companies , State Corporation
 4. Partnerships , Societies , State departments
14. Select the organization which is controlled by a board of directors appointed by the government and commenced under a general or special act of the parliament,
1. State pharmaceuticals corporation of Sri Lanka
 2. Department of Education
 3. Sri Lanka Multi purpose cooperative societies
 4. Ministry of health
15. Select the reason why incorporated companies are more popular than the partnerships today,
1. Profit shared among partners
 2. Limited Liability
 3. No continued existence
 4. No legal personality
16. Kasun Pereras' business is registered and operated under the name of 'Kasun Stores' What is not a benefit of registration of business name ?
1. Provides an identity
 2. Provides legal personality
 3. Easy to obtain loans
 4. Provides an ownership of the business name
17. Select the organization which is shared economic benefits,
1. Partnership
 2. State corporations
 3. Departments
 4. Incorporated companies
18. Many services that are essential to the public are not offered by the private sector organizations, Select the most suitable business organization to provide public service is,
1. Partnership
 2. State Corporations
 3. Associations
 4. Incorporated Companies
19. Select not a reason of, entrepreneurs start small scale business,
1. Ability to start the business with less capital
 2. Minimal legal requirements
 3. Ability to make a large impact in the industry
 4. Ability to use the talents of entrepreneurs
20. Who is the authorized officer to register business names.
1. Grama Niladharee
 2. Registrar of the respective provincial council
 3. The divisional secretary
 4. Registrar of the register general department

21. What is the characteristic that can be seen both in assets & liabilities?

- | | |
|---|---|
| 1. Being a resource to the business | 3. A result of a past transaction |
| 2. Inflow of economic resources to the business | 4. A present obligation of the business |

22. Main objective of accounting is,

- | | |
|-----------------------|--|
| 1. Keeping accounts | 3. Calculating profit or losses |
| 2. Accounting reports | 4. Providing information for decision making |

23. What is not a current asset?

- | | |
|-------------------|-----------------|
| 1. Debtors | 3. Investment |
| 2. Stock of goods | 4. Bank balance |

24. The place where a business transaction is recorded for the first time is,

- | | |
|-------------------------|----------------------|
| 1. Accounts | 3. General ledger |
| 2. Accounting equations | 4. Prime entry books |

25. What type is the creditors accounts ?

- | | |
|----------------------|-------------------|
| 1. Liability account | 3. Asset account |
| 2. Expense account | 4. Income account |

26. Sunimal is conducting a business of selling packets of spices. He has paid Rs. 10 000 to a creditor by his personal cash. As a result,

1. Expense & liabilities decrease
2. Equity & assets decrease
3. Assets & Liabilities decrease
4. Equity increase & liabilities decrease

27. Payables to be settled in the long run by a business is called,

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

28.

X

1. Assets
2. Income
3. Liabilities
4. Expenses

Y

- A. Rent received
- B. Bank balance
- C. Water bill expense
- D. Bank loan

The correct combination of X & Y is,

- | | |
|------------------|------------------|
| 1. B , A , D , C | 3. C , B , A , D |
| 2. D , A , B , C | 4. A , B , C , D |

29. what is the source document relevant to recordings issuing a cheque to a creditor by a business in bank account?

- | | |
|-------------------|------------------------|
| 1. Bank statement | 3. Cash deposit slip |
| 2. Counter foil | 4. Cheque deposit slip |

30. What is the transaction which leads to increase assets & liabilities at once?

- | | |
|---------------------------------------|---|
| 1. Payment of Rs. 25000 to a creditor | 3. Credit sales of a stock Rs. 50 000 |
| 2. Received Rs. 10 000 from a debtor | 4. Obtaining a bank loan of Rs. 150 000 |

31. A ledger is,

- | | |
|--|---|
| 1. A source document relevant to a transaction | 3. A collection of all the accounts of the business |
| 2. A report included in financial statements | 4. A prime entry book to record transactions |

32. What is the transaction which does not have a cash outflow from the business ?

- | | |
|------------------------------|--------------------------------|
| 1. Receipt of telephone bill | 3. Payment to a creditor |
| 2. Cash drawings | 4. Payment of electricity bill |

33. Which one is the correct accounting equation?

1. Equity = Assets - Liabilities
2. Equity = Assets + Liabilities
3. Assets = Equity - Liabilities
4. Liabilities = Equity + Assets

34. What are the prime entry books having dual functions?

- | | |
|---------------------------------|--|
| 1. Bank account & Sales journal | 3. Cash book & Purchase journal |
| 2. Cash book & Petty cash book | 4. Petty cash book & Purchases journal |

Answer questions no. 35-37 by using following information Assets & liabilities of Namalee's business as at 01/01/2024

Furniture	500 000	Creditors	20 000
Stocks	50 000	Cash	30 000
Debtors	60 000	Equipment	100 000
Bank loan	100 000	Buildings	60 000

35. What is the equity of Namalee's business as at 01/01/2024

- | | |
|----------------|----------------|
| 1. Rs. 480 000 | 3. Rs. 680 000 |
| 2. Rs. 660 000 | 4. Rs. 920 000 |

36. Value of Non - current assets is,

- | | |
|----------------|----------------|
| 1. Rs. 120 000 | 3. Rs. 560 000 |
| 2. Rs. 520 000 | 4. Rs. 660 000 |

37. Value of current liabilities is,

- | | |
|---------------|----------------|
| 1. Rs. 20 000 | 3. Rs. 100 000 |
| 2. Rs. 80 000 | 4. Rs. 120 000 |

38. Allowed discount account of a business is,

- | | |
|--------------------|----------------------|
| 1. Income account | 3. Liability account |
| 2. Expense account | 4. Assets account |

Use following information to answer questions no. 39 & 40

Petty cash imprest of Amila's business in Rs. 5000. As at 31/01/2025 a balance of Rs. 600 was with the petty cashier

39. How much is the petty cash expense of the business during January ?

- | | |
|-------------|-------------|
| 1. Rs. 5600 | 3. Rs. 600 |
| 2. Rs. 4400 | 4. Rs. 5000 |

40. How much should be reimbursed as at 31st January?

- | | |
|-------------|-------------|
| 1. Rs. 4400 | 3. Rs. 5600 |
| 2. Rs. 600 | 4. Rs. 5000 |

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දෙවන වාර ඇගයීම - 2025 Second Term Evaluation - 2025			
ශ්‍රේණිය } Grade }	10	විෂයය } Subject }	Business & Accounting Studies II
		කාලය } Time }	2 Hr

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Part I - Business Studies

First questions is compulsory. Select two questions from the first section and two questions from the Second section and answer five questions only.

01. Answer question number (i) to (x) from the following case study

Rusiru, a resident of chilaw, started a business engage in buying dry coconuts and producing coconut oil called "Saviru coconut oil" on 01/01/2024 by introducing Rs. 1 000 000 as the capital. On the same day an oil mill purchased for Rs. 500 000 for crushing coconut oil and other equipments were purchased with Rs. 300 000. Rs. 200 000 bank loan was obtained on 01/05 for a 12% annual interest rate. Rusiru, who is holding a bachelor's degree in business management, manages the "Saviru" business and hired two employee's for other business activities.

Following are the business transaction for the month ended 2024/01/01

Purchased dry coconuts on cash	Rs. 250 000
Sales of coconuts oil on cash	Rs. 685 000
Payment of building rent	Rs. 20 000
Payment of employee salaries	Rs. 60 000
Payment of distribution vehicle rent	Rs. 50 000
Payment of management salary	Rs. 75 000
Payment of electricity bill	Rs. 15 000

Additional Information

- (1) The monthly electricity bill has not been paid as on 01/31
 - (2) Due to the shortage of coconuts during the last season. The price of coconuts continuously risen, so the cost of buying coconuts was high.
 - (3) On 01/31 the business deposited Rs. 50 000 and opened a bank current account
- (i) a) What human need does the saviru coconut oil business fulfill?
 b) State 2 interested parties with examples from saviru's business
 - (ii) a) What type of business is the saviru's business depends on the nature of product?
 b) Write a strength and a threat of Saviru coconut oil business
 - (iii) a) Write an advantage and disadvantage of Saviru's business
 b) Write an economic environmental factor stated in this case

- (iv)a) Write two factors of production in Saviru's business with examples.
 b) Is this business name should be registered? If it should be registered explain your answer
- (v) Write the accounting equation as at 2024/01/01
- (vi) Write the double entry with values for the transaction occurred on 2024/01/05
- (vii)a) Write a prime entry book and two source documents of Saviru's business
 b) Write an income and expense of Saviru's business with values
- (viii) Write a non current asset and a non current liability of this business with values.
- (ix) Write the double entry with values for opening a bank current account on 01/31
- (x) Calculate the cash balance of Saviru's business as at 2024/01/31 (20 marks)

PART I - Business Studies

● Answer two questions.

- 02.(i) a) Define a business
 b) Write two weaknesses of the Batar system (02 marks)
- (ii) State whether the following statements are true or false
- | | |
|--|----------------|
| a) Business always starts with the profit motive | () |
| b) Wants can be created | () |
| c) Food, Clothing and shelters are basic needs | () |
| d) Employee welfare is a goal of a business | () (02 marks) |
- (iii) Kumari a resident of Galle runs a business of buying fresh fruits and selling fruits drinks and fruit salads. A small machine was bought to prepare fruit drinks.
- a) What is the basic human need and want that Kumari's business fulfilled ?
- b) The machine used to prepare fruit drinks of Kumari's business belongs to the factor of production "capital". Do you agree with this statement? Give reasons for your answer. (02 marks)
- (iv) Kamala a resident of Kataragama buys corn from corn farmers and sells boiled corn to the tourists.
- a) Write two parties of the internal environment of Kamala's business
- b) Name two external parties in the above case who are interested in Kamala's business and write the reasons why they are interested in the business. (02 marks)
- (Total 08 marks)
- 03.(i) a) Categorize business organizations according to the nature of the products.
 b) Write two weaknesses in a business (02 marks)
- (ii) State whether the following statements are true or false.
- | | |
|---|----------------|
| a) Strengths and weaknesses can be identified from the external environment in a business | () |
| b) Fiscal / Budgetary policy is a economic environment factor | () |
| c) If everyone expecting a job receives a suitable job it is called the full employment | () |
| d) The reduction in the interest rate charged on bank loans has encouraged businessmen to borrow loans. | () (02 marks) |

(iii) After following a sewing course Indumathi started a business of sewing ready made school clothes near a school in the city. She bought two sewing machines and later an employee was hired.

- a) Write a strength and opportunity of Indumathi's business
- b) Write two factors of production in this business with examples (02 marks)

(iv) a) Write two favourable and unfavourable effects in the Global environment.

- b) Write two quantitative criteria for classifying business organizations according to scale (02 marks)
- (Total 08 marks)

04. (i) a) Write two ways of classifying business organizations according to the ownership

- b) Write two features of incorporated companies (02 marks)

(ii) State following statements are true or false

- a) Partnership deed is the written agreement in a partnership business ()
 - b) The liability of owners of incorporated companies is limited to the value of the shares they have purchased ()
 - c) Public corporations are subject to government financial regulations ()
 - d) Cooperative societies are a type of non - profit private sector business organizations ()
- (02 marks)

(iii) Ama and Mali run a business of buying fresh milk from prabhath and producing and selling curd under the name Amali curd

- a) Write two advantages of Amali curd business compared to prabhath's business mentioned in this scenario
- b) What is the appropriate type of business if it is to be established with limited liability and legal personality? Under which act should this type of business organization be registered? (02 marks)

(iv) The price of imports has increased due to the increase in the price of the US dollar against Sri Lanka rupee.

- a) Name and explain the economic environmental factor mentioned in the above statement
 - b) Write two changes in business due to the rapid development of the technological environment (02 marks)
- (Total 08 marks)

Part II - Accounting

Answer only 02 questions

05.(i) Write 02 objectives of accounting (02 marks)

(ii) Write 02 factors that affect the change in ownership of a business (02 marks)

(iii) Below are some of the transactions that took place in supun's business during the first week of January 2025

1. 2025.01.01 Investing Rs. 100 000 as capital
2. 2025.01.03 Obtaining a bank loan of Rs. 50 000
3. 2025.01.04 Buying goods worth Rs. 75 000 for cash
4. 2025.01.05 Selling goods worth Rs. 30 000 on credit
5. 2025.01.05 Paying Rs. 5000 for building rent
6. 2025.01.06 Selling Rs. 10 000 of stocks on cash

Indicate how the transactions that occurred on each of the above dates affects the accounting equations below.

Date	Assets			=	Equity	+	Liability
	Inventory	Debtors	Cash		Equity		Bank loan
01.01			+ 100 000		+ 100 000		
01.03							
01.04							
01.05							
01.05							
01.06							

(05 marks)

(iv) Write double entries for the following transaction

1. Investing Rs. 200 000 as additional capital
2. Receiving a Rental income of Rs. 10 000
3. Purchasing a computer from Abans for 300 000

(03 marks)

06.(i) a) What is a source document

b) Name 2 contents of a source document

(02 marks)

(ii) What is the dual function of a cash book?

(02 marks)

(iii) Write 4 types of ledger accounts and give an example for each.

(02 marks)

(iv) The transactions that occurred in Sunil's business during the first two weeks of December 2024 are shown below.

24.12.01	Rs. 500 000 invested as capital
24.12.02	Goods purchased for cash Rs. 75 000
24.12.03	Obtained a bank loan of Rs. 50 000
24.12.05	Sold a stock worth Rs. 25 000 for cash
24.12.07	Bought a table for Rs. 12 500 for use in the business
24.12.09	Received Rs. 7500 from a debtor
24.12.10	Paid the electricity bill of Rs. 5000
24.12.12	Rs. 14 500 paid to the creditor Amal

a) Record the above transactions in a cash book

b) Balance the cash book as at 31.12.2024 (06 marks)

07.(i) a) What is petty cash reimbursement ?

b) On 01.01.2025 Pathum business had a balance of Rs. 106 in the petty cash account. The total petty cash expenses for the month of January were Rs. 3840. What is the Value of the petty cash imprest? (02 marks)

(ii) Information of petty cash payments of Hemal's business for February 2024 are given below

2024.02.02	Paid postage Rs. 150
2024.02.03	Purchased stationery Rs. 275
2024.02.05	Entertainment expenses Rs. 300
2024.02.08	Paid travelling expenses Rs. 125
2024.02.10	Bought 02 books Rs. 250
2024.02.12	Bought 02 bars of soap Rs. 175
2024.02.15	Bought A4 sheets Rs. 225
2024.02.17	Cleaning expenses Rs. 325
2024.02.20	For soft drinks Rs. 250
2024.02.29	Paid for bus fares Rs. 170

Additional Information

Received Rs. 3000 as petty cash imprest on 01.02.2024

2024.03.01 petty cash imprest reimbursed

Required,

Prepare the petty cash book with following expense columns, Postal expenses, Travel expenses, entertainment expenses, stationery expenses, miscellaneous expenses.

Balance the petty cash book as at 28.02.2024 and post it to the ledger. (08 marks)