

<p style="text-align: center;">ගම්පහ අධ්‍යාපන කලාපය Gampaha Education Zone</p>		
<p style="text-align: center;">දෙවන වාර ඇගයීම - 2025</p> <p style="text-align: center;">Second Term Evaluation - 2025</p> <p style="text-align: center;">இரண்டாம் தவணைப் பரீட்சை - 2025</p>		
<p>ශ්‍රේණිය Grade</p> <p style="border: 1px solid black; padding: 5px; text-align: center;">11</p>	<p>විෂයය Subject</p> <p style="border: 1px solid black; padding: 5px; text-align: center;">Business and Accounting Studies i</p>	<p>කාලය Time</p> <p style="border: 1px solid black; padding: 5px; text-align: center;">One hour</p>
<p>නම பெயர் Name</p>		

Note :- Answer all questions

In each of the questions pick one of the alternatives I, ii, iii, iv which you consider as the correct answer.

Answer the questions human needs no 1 to 4 using the following case

The government has informed the public through the department of agriculture service that the price of agricultural inputs will have to be increase due to the increase in foreign exchange rate and the increase in the price of fertilizers and agricultural materials in the world market. As are result many farmers have try to use a limited amount of organic fertilizer in their cultivation.

- What is the basic need mentioned in above case?
 - Equipment
 - Fertilizer
 - Food
 - Agricultural products
- What is the production factor that organic fertilizer in this case belongs to?
 - Labour
 - Land
 - Capital
 - entrepreneurship
- A- increasing foreign exchange rate

B- import agriculture ingredients

C- increasing the price of agriculture inputs

Select the answer which include only the economic environmental factor,

- A
- B
- A, B
- A, C

4. Select the correct statement related to department of agriculture service in the above case,
 - i) This is a profit oriented business organization
 - ii) There is no legal entity
 - iii) No continued existence
 - iv) A portion of the profits will be credit to the consolidated fund of the government.

5. Iresha who is conducting a tourist hotel, has following hospitality management course .it is a
 - i) Opportunity
 - ii) strength
 - iii) weakness
 - iv) Threat

6. Which one of the following is not a objective of a employee as a stake holder?
 - i) Earning reasonable salary or wages
 - ii) Job security
 - iii) Taking responsibility of the business
 - iv) Getting promotions

7. Which one of the following is included only in economic environment?
 - i) Budgetary policy, interest rate, infrastructure development, inflation
 - ii) Interest rate, inflation, income distribution, level of employment
 - iii) Employment, infrastructure development, inflation, savings, budgetary policy
 - iv) Interest rate, inflation, income distribution, business laws

8. Select the incorrect statement related to business organization,
 - i) All profits belongs to the owner is a characteristic of a sole proprietorship
 - ii) According to the partnership ordinance, act1890 if the initial capital of partnership exceed 1000 it must be maintain in a written agreement.
 - iii) Actin wellbeing of a member is a advantage of cooperative societies.
 - iv) Profit and ownership are shared is a dis advantages of in cooperated company.

9. Which one of the following is a common characteristics of state corporations and depatments
 - i) Government ownership and control
 - ii) Funded by the government
 - iii) Mandatory to register
 - iv) Legal personality

10. Which one of the following is a common characteristics of sole proprietorship, partnership and in corporate companies,
 - i) Unlimited liability, control by business owners, private ownership
 - ii) Private ownership, control by business owners, profit oriented
 - iii) Profit oriented, receiving legal personality, not mandatory to prepare financial statement
 - iv) Control by business owners, profit oriented, democratic control

11. Hansamalee who has a current account at peoples Bank issued a cheque of Rs.25 000 to a client Tharushee who has a current account in Bank of Ceylon.
Select the answer which shows drawer and payee respectively
- i) Hansamalee and People's Bnak
 - ii) Tharushee and people's Bank
 - iii) People's Bank and Bank of Ceylon
 - iv) Hansamalee and Tharushee
12. Which one of the following statement is a correct regarding credit cards
- i) Using credit card money cannot be withdrawn through ATM
 - ii) It is essential to for a customer to have a bank account to obtain credit card.
 - iii) Interest is charge on payments made by credit card.
 - iv) Credit cards are issuing by the amount of cash available in the bank account.
13. Which one of the following is not a telebanking facility received by the customer
- i) To check the bank balance
 - ii) Receiving cheque book
 - iii) Receiving bank statement
 - iv) Transfer cash from one account to another.
14. Anjalee's motor vehicle, which was insured for Rs.50 000 000 was involved an accident, but the insurance company paid only 800000 for the expected losses. the insurance principal that has influence this case is,
- i) Utmost good faith
 - ii) contribution
 - iii) Indemnity
 - iv) Insurable interest.
15. Select the answer which include only internal communication method,
- i) Loudspeakers, newspapers, broadcasting medium
 - ii) Meetings, notice board, workshops
 - iii) Circulars, broadcasting medium, Memos
 - iv) Banners, internet, telecasting medium
16. Select the appropriate example that is explain the" target market"
- i) Selling fast foods in supermarket
 - ii) Mobile retail business
 - iii) introducing model question paper book for o/l student
 - iv) discount given on clothing for the festive season
17. A business transaction is,
- i) Monetary and none monetary information
 - ii) Information that enables interested parties to make decision.
 - iii) Obtaining goods and services for cash basis
 - iv) An exchange of resources between a business and other parties.

18. Select the transaction which influence for the assets, liabilities and equity.

- i) Owner take Rs. 5000 for personal use
- ii) Payment of Rs. 15000 for creditor's interest
- iii) Payment of Rs. 6000 bank loan and Rs. 44000 bank loan installments
- iv) Receipt of Rs. 5000 from debtors

19. The accounting equation of a business as at 01/01/2025 is shown below

$$\begin{array}{rclcl} \text{Assets} & = & \text{Liabilities} & + & \text{Equity} \\ 250,000 & = & 50,000 & + & 200,000 \end{array}$$

What is the correct accounting equation which represents the correct values after paying the electricity bill of Rs. 5000?

- i) $\begin{array}{rclcl} \text{Assets} & = & \text{Liabilities} & + & \text{equity} \\ 255,000 & = & 50,000 & + & 205,000 \end{array}$
- ii) $\begin{array}{rclcl} \text{Assets} & = & \text{Liabilities} & + & \text{equity} \\ 255,000 & = & 55,000 & + & 200,000 \end{array}$
- iii) $\begin{array}{rclcl} \text{Assets} & = & \text{Liabilities} & + & \text{equity} \\ 245,000 & = & 50,000 & + & 195,000 \end{array}$
- iv) $\begin{array}{rclcl} \text{Assets} & = & \text{Liabilities} & + & \text{equity} \\ 255,000 & = & 55,000 & + & 205,000 \end{array}$

20. What is the influence if the owner settles the liability of a business using his personal money,

- i) Decrease in assets and decrease in liabilities
- ii) Decrease in equity and decrease in liabilities
- iii) Increase in equity and decrease in liabilities
- iv) Decrease in assets and decrease in equity

21. 'x' column represents type of accounts and 'y' column represents the items recorded in the accounts,

	X column		Y column
i.	Asset accounts	A	Discount received
ii.	Liabilities account	B	Sales
iii.	Equity accounts	C	Furniture
iv.	Income accounts	D	Drawings
v.	Expenses accounts	E	Creditors

The correct answer when account types in x column is matched with the items in y column ,

- i) C, E, D, A and B
- ii) C, E, B, D and A
- iii) C, E, D, B and A
- iv) C, E, B, A and D

- Answer questions number 22 and 23 using the following information

Information related to Harini's business as at 1.6.2024 are shown below,

	Rs.
Machinery	150,000
Stocks	30,000
Cash	60,000
creditors	40,000

following are the transactions which occurred during the week which ended on the 07.06.2025

- A. Purchase of goods Rs. 15000 on credit
- B. Received 10% discount when paying Rs. 20000 to creditors
- C. Depreciation of Rs. 3000 from machinery
- D. Sales of goods for Rs. 20000 which costs Rs. 12000

22. Transaction which influence for the increase in equity,

- i) B and C
- ii) A and B
- iii) B and D
- iv) B, C and D

23. Equity as at 01.06.2024

- i) Rs. 140 000
- ii) Rs. 200 000
- iii) Rs. 249 000
- iv) Rs. 280 000

24. A business paid Rs. 35 000 to settle a trade creditor of Rs. 40 000 what is the double entry to record the above transaction,

- i) Creditors account - debit 40 000
Cash account - credit 40 000
- ii) Creditors account - debit 38 000
Cash account - credit 38 000
- iii) Creditors account - debit 40 000
Cash account - credit 38 000
Discount allowed - credit 2 000
- iv) Creditors account - debit 40 000
Cash account - credit 38 000
Discount received - credit 2 000

25. The total value of sales journal at the end accounting period,

- i) Credited to debtors account
- ii) Credited to sales account
- iii) Debited to sales account
- iv) Transferred to profit of loss statement

26. The cash in hand of the petty cash cashier as at 31 January 2025 is 670. The amount given by the main cashier to petty cash cashier for the month of February is 2830 what is the value of the petty cash imprest?
- i) Rs. 3500
 - ii) Rs. 2830
 - iii) Rs. 670
 - iv) Rs. 2160

27. Following information are given to you,

- A. Cash sale of stock which value Rs. 15 000
- B. Credit purchase of machinery of Rs. 150 000 for the use of business from Ruwan
- C. Credit purchase of stock of Rs. 35 000
- D. Drawing of Rs. 8000 for the personal use.

What are the transactions which is recorded in the general journal?

- i) A
- ii) B
- iii) C
- iv) D

- Answer the questions no 28 and 29 using the following information

The bank account balance of a business as at 31.3.2025 is Rs 12 500 the bank statement balance was different from that reasons for the difference are stated below

- A- Bank charges Rs. 1000
- B- Direct remittance of investment income Rs 5000
- C- Insurance charges Rs. 3500 which is charged as standing orders
- D- Deposited but unrealized cheques Rs 10 500.

28. Select the transaction that should be considered when preparing the adjusted bank account,

- i) ABC
- ii) ABD
- iii) ACD
- iv) BCD

29. The bank statement balance as at 31.03.2025

- i) Rs 3000
- ii) Rs 17 500
- iii) Rs 13 000
- iv) Rs 2500

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Use the following information to answer the question No.35 to 40

Following are the balance as extracted from the trial balance of Nethmi's business as at 31.12.2024

	Rs.
Sales	680 000
Other income	16 000
Capital (as at 01.01.2024)	500 000
Discount received	7 000
Creditors	24 000
Bank overdraft	20 000
Cost of sales	425 000
Machines and equipment	240 000
Land	400 000
Debtors	39 000
Distribution expenses	45 000
Rent	24 000
Insurance expenses	8 000
Cash	30 000

Additional information,

cost of stock as at 31.12.2024 is Rs. 36000.

Machines and equipment should be depreciated at 10% per annum.

Rs. 35000 has been paid in cash as wages during the year.

35. The gross profit of the Nethmi's business for the year ended 31.12.2024

- i)Rs. 262 000 iii)Rs. 255 000
- ii) Rs. 278 000 iv) Rs. 233 000

36. The total amount income of Nethmi's business for the year ended 31.12.2024

- i) Rs. 680000 iii) Rs. 696000
- ii) Rs. 703000 iv) Rs. 448000

37. The total administrative expenses as at 31.12.2024 is?

- i) Rs. 48000 iii) Rs. 73000
- ii) Rs. 56000 iv). Rs. 91000

38. The amount of non current assets as at 31.12.2024

- i) Rs. 640000 iii) Rs. 600000
- ii) Rs. 616000 iv) Rs. 576000

39. The net profit of the business for the year ended 31.12.2024

- i) Rs. 142000 iii) Rs. 154000
- ii) Rs. 119000 iv) Rs. 178000

40. The value of equity and total assets of this business as at 31.12.2024 in correct order is.

- i) Rs. 640000 and 619000
- ii) Rs. 721000 and 785000
- iii) Rs. 642000 and 721000
- iv) Rs. 619000 and 721000