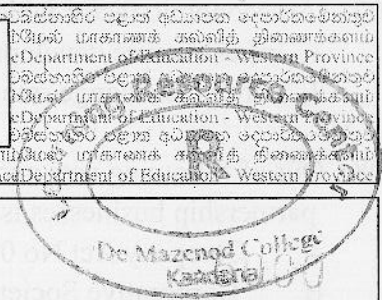


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**மேல் மாகாணக் கல்வித் திணைக்களம்**  
**Department of Education - Western Province**



**වර්ෂ අවසාන ඇගයීම - 2023 (2024)**  
**ஆண்டிறுதி மதிப்பீடு - 2023 (2024)**  
**Year End Evaluation - 2023 (2024)**

ශ්‍රේණිය } <b>11</b> தரம் } Grade }	විෂයය } <b>Business and Accounting Studies</b> பாடம் } Subject }	පත්‍රය } <b>I</b> வினாத்தாள் } Paper }	කාලය } <b>1hr</b> காலம் } Time }
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නම } .....  
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 சுட்டிலக்கம் }  
 Index No. }

**Note: Answer all questions.**  
**In each of the questions 1 to 40, pick one of the alternatives (1), (2), (3), (4) which you consider as correct or most appropriate.**

Using the following case, answer questions No 1 to 5.

\* Pathum Sanjeewa who completed his schooling has obtained his driving license. After working five years in abroad, he came to Sri Lanka and started his own business called "Pathum motors", to provide transportation facilities for the local and foreigners who visit the country for tourism. For that, he has employed 06 vans while recruiting enough employees.

01. What is the basic human need supplied by "Pathum Motors"?  
 1. Entertainment                      2. Transportation                      3. Communication                      4. Education
02. The type of business organization does this business belong to based on the nature of product produced,  
 1. A good manufacturing business                      2. A service providing business  
 3. A goods and service providing business                      4. A service manufacturing business
03. Under what act, Pathum should registered his business name?  
 1. The Company Act No 07 of 2007  
 2. The Corporative Societies Act No 05 of 1972  
 3. Business Name Ordinance No 06 of 1918  
 4. Partnership Ordinance 1890
04. Continuously increasing petrol and diesel price, to this business is  
 1. A strength                      2. A weakness                      3. An opportunity                      4. A threat
05. The business environment, that increasing transportation charges of Pathum Motors' business due to increasing price of fuel and spare parts belong to,  
 1. Economic environment                      2. Political environment  
 3. Legal environment                      4. Global environment
06. Dammika, under the Sarubima project cultivate organic banana in his garden and sell in his area using his motor bike. Dammika is a,  
 1. Small scale mobile wholesaler.                      2. Small scale mobile retailer.  
 3. Fixed small scale retailer.                      4. Fixed large scale retailer.

07. An economic factor which influence on businesses is,
1. Infrastructure development policy
  2. Budgetary policy
  3. Foreign exchange rate
  4. Open economic policy
08. Out of following acts and ordinance, the correct answer relates only to the acts and ordinance influence to a partnership businesses is,
- A Company Act No 07 of 2007
  - B Corporative Societies Act No 05 of 1972
  - C Partnership Ordinance 1890
  - D Prevention and Fraud Ordinance 1840
1. A, B, C Only
  2. A, B, D Only
  3. A, C, D Only
  4. C, A, B Only
09. The type of business organization, that 'Perera and Company' belongs to
1. Incorporated company
  2. Partnership business
  3. State Corporations
  4. Sole proprietorship Business
10. Few type of business organizations (column X) and the characteristics of those in (column Y) are given bellow
- | X                               | Y  |
|---------------------------------|--|
| 1. Sole proprietorship business | A. Maximum members are 20                  |
| 2. Partnership business         | B. Independent decision making             |
| 3. Associations                 | C. Aiming for the well-being of members    |
| 4. Incorporated companies       | D. Capital can be raised by issuing shares |
- The correct answer when the above X and Y columns are matched is,
1. A,B,C,D
  2. B,C,D,A
  3. B,A,C,D
  4. C,D,A,B
11. A characteristic of whole sale trade is,
1. Selling goods for final consumption
  2. Selling different type of goods
  3. Comparatively selling price per unit is high
  4. Purchasing goods on reselling purpose
12. The electronic card issued by a bank to a customer on credit basis is,
1. A Debit card
  2. Prepaid card
  3. Credit card
  4. Automated teller card
13. Only the parties that relevant to internal communication of a business are,
1. Owners, customers, and retailers
  2. Owners, managers, and employees
  3. Managers, employees, and customers
  4. Managers, retailers and financial institutions
14. Ruwan decides to recruit 5 new employees to expand his business organization. In management this belong to
1. Planning
  2. Organizing
  3. Leading
  4. Controlling
15. Select the items include in price variable of a marketing mix
1. Advertisement, transportation, design
  2. Discount, credit terms, payment methods
  3. Packaging, credit terms, payment methods
  4. Design, discounts, allowance
16. What is the investment method that has least risk out of the bellow investment methods.
1. Investing in a fixed deposit
  2. Purchasing properties
  3. Buying treasury bills
  4. Buying ordinary shares

17. Out of the various events and transactions occurred in businesses, in accounting to be considered,
  1. All the transactions and events
  2. Credit transactions only
  3. Transactions and events can be measured in terms money
  4. Cash transactions only

**Answer the questions No 18 and 19 using following information**

Some information of Devika's business which selling furniture as at 01.05.2023 are given bellow.

Building	Rs 300,000	Furniture for selling	Rs 100,000
Debtors	Rs 20,000	Bank loan	Rs 50,000
Creditors	Rs 25,000	Motor vehicle	Rs 200,000

18. The capital of Devika's furniture business as at 01.05.2023 is,
  1. Rs 545,000
  2. Rs 570,000
  3. Rs 595,000
  4. Rs 620,000
19. The value of non-current assets of above business as at 01.05.2023 is,
  1. Rs 200,000
  2. Rs 300,000
  3. Rs 500,000
  4. Rs 600,000
20. By purchasing of goods on credit in a business, in that business
  1. Assets and expenses increasing
  2. Assets and capital increasing
  3. Assets increasing and liability decreasing
  4. Assets and liability increasing
21. The accounting equation of a business is as follows  
 Assets (Rs 150,000) = Equity (Rs 100,000) + Liability (Rs 50,000)  
 The accounting equation after purchasing a machine Rs 50,000 in this business is
  1. Assets 200,000 = Equity 150,000 + Liability 50,000
  2. Assets 200,000 = Equity 100,000 + Liability 100,000
  3. Assets 150,000 = Equity 100,000 + Liability 50,000
  4. Assets 150,000 = Equity 50,000 + Liability 100,000
22. Two accounts which show the accounting principle of decreasing debit and increasing credit
  1. Capital account and creditors account
  2. Bank account and debtors account
  3. Insurance account and bank loan interest account
  4. Asset account and expense account
23. The prime entry book, recording purchase of Rs 50,000 furniture from E.H Cooray Company on credit for the use of business is,
  1. Purchase journal
  2. General journal
  3. Cash book
  4. Bank account
24. When drawing is done by the awner (1) .....decreasing (2)..... decreasing.  
 The correct answer for (1) and (2)
  1. Cash, Assets
  2. Assets, Liabilities
  3. Assets, Equity
  4. Capital, Liability
25. Following shows a double entry of a transaction occurred in a business  
 Motor vehicle account debit Rs 300,000  
 Capital account credit Rs 300,000  
 Select the transaction relevant to the above double entry
  1. Owner invested Rs 300,000 cash to the business
  2. Purchasing Rs 300,000 asset
  3. Purchasing Rs 300,000 worth of motor vehicle on credit
  4. Owner invested Rs 300,000 worth of motor vehicle to the business

26. The cash in hand with the petty cashier of Athula's business at 01<sup>st</sup> of September 2023 was Rs 140. On the same day Rs 1,360 has been given to reimburse by the main cashier. The value of petty cash imprest of this business is,
1. Rs 140
  2. Rs 1,360
  3. Rs 1,500
  4. Rs 1,640
27. An item in the debit side of the bank statement is,
1. Debtor remittance
  2. Cash deposit
  3. Cheque deposit
  4. Bank charges
28. The balance of the bank statement sent by the bank as at 30.06.2023 was Rs 27,000. When check the bank statement by the business, Rs 7,000 has been credited by the bank mistakenly to the bank account. The correct balance should be in the bank current account as at 30.06.2023, according to the business is
1. Rs 7,000
  2. Rs 20,000
  3. Rs 27,000
  4. Rs 34,000
29. The correct double entry relevant to record transaction in purchase journal to the ledger accounts is,
1. Debtor account debit, Purchase account credit
  2. Creditors account debit, Purchase account credit
  3. Purchase account debit, Creditors account credit
  4. Purchase account debit, Debtors account credit
30. Select the answer which has balances include only in the credit side of the trail balance.
1. Advertisement, bank loan interest, employee salary
  2. Shop rent income, drawings, sales
  3. Bank loan, creditors, commission received
  4. Machinery, buildings, furniture
31. The monthly shop rent expense of a business is Rs 9,000. Only Rs 90,000 has been paid as shop rent for the year ended 31.12.2023  
The accrued shop rent expense for the year ended 31.12.2023 is
1. Rs 9,000
  2. Rs 10,000
  3. Rs 12,000
  4. Rs 18,000
32. Select the group which has shown prime cost correctly.
1. Direct material cost, direct labor cost, production overhead cost
  2. Indirect labor cost, indirect material cost, direct other cost
  3. Direct material cost, direct labor cost, total direct cost
  4. Direct material cost, direct labor cost, direct other cost

**Answer questions No.33 and 34 using following information.**

No. of members in "Jayahada sport club" is 200 while annual membership fees per member is Rs. 1,000. Ten members have not been paid their membership fees for the year ended 31.12.2023.

33. The membership fees should be included in receipt and payment account of Jayahada sport club for the year ended 31.12.2023 is,
1. Rs. 190,000
  2. Rs. 200,000
  3. Rs. 210,000
  4. Rs.220,000
34. The members fees should be included in income statement of Jayahada sport club for the year ended 31.12.2023 is,
1. Rs. 190,000
  2. Rs. 200,000
  3. Rs. 210,000
  4. Rs.220,000

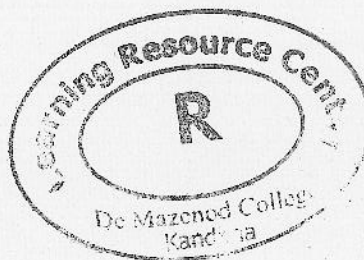
Answer the questions No 35 to 40 using following information.

Following is the trial balance of Sanjeewa's business as at 31.12.2022

	Debit (Rs)	Credit (Rs)
Sales		500,000
Purchase	300,000	
Stock as at 01.01.2022	150,000	
Motor vehicle (at cost)	1,200,000	
10% bank loan		100,000
Cash balance	25,000	
Insurance charges	3,000	
Debtors	37,000	
Creditors		20,000
Shop rent income		30,000
Electricity charges	15,000	
Bank loan interest	5,000	
Capital as at 01.01.2022		1,085,000
	<u>1,735,000</u>	<u>1,735,000</u>

Additional information

1. Closing stock as at 31.12.2022 is Rs 60,000
  2. Electricity charges to be accrued as at 31.12.2022 is Rs 2,000
  3. Rs 7,000 should be written off as bad debts from the debtors as at 31.12.2022
35. The cost of goods presented for sale of Sanjeewa's business for the year ended 31.12.2022 is,
    1. Rs 390,000
    2. Rs.450, 000
    3. Rs.510, 000
    4. Rs.560,000
  36. The gross profit of Sanjeewa's business for the year ended 31.12.2022 is,
    1. Rs.110, 000
    2. Rs.140, 000
    3. Rs. 390,000
    4. Rs 450,000
  37. The net profit of Sanjeewa's business for the year ended 31.12.2022 is,
    1. Rs.73, 000
    2. Rs.100, 000
    3. Rs.103, 000
    4. Rs.140, 000
  38. The value of total liability of Sanjeewa's business as at 31.12.2022 is,
    1. Rs.27, 000
    2. Rs.100, 000
    3. Rs.120, 000
    4. Rs.127, 000
  39. The value of total assets of Sanjeewa's business as at 31.12.2022 is,
    1. Rs.103, 000
    2. Rs.1, 085,000
    3. Rs.1, 188,000
    4. Rs. 1,315,000
  40. Equity of Sanjeewa's business as at 31.12.2022 is,
    1. Rs.1, 188,000
    2. Rs.1, 200,000
    3. Rs.1, 315,000
    4. Rs.1, 388,000



<p><b>බස්නාහිර පළාත් අධ්‍යාපන දෙපාර්තමේන්තුව</b>  <b>மேல் மாகாணக் கல்வித் திணைக்களம்</b>  <b>Department of Education - Western Province</b></p>			
<p><b>වර්ෂ අවසාන ඇගයීම - 2023 (2024)</b>  <b>ஆண்டிறுதி மதிப்பீடு - 2023 (2024)</b>  <b>Year End Evaluation - 2023 (2024)</b></p>			
<p>ශ්‍රේණිය } <b>11</b>                  தரம் } <b>11</b>                  Grade } <b>11</b></p>	<p>විෂයය } <b>Business Studies and Accounting</b>                  பமடம் } <b>Business Studies and Accounting</b>                  Subject } <b>Business Studies and Accounting</b></p>	<p>පත්‍රය } <b>II</b>                  வினாத்தாள் } <b>II</b>                  Paper } <b>II</b></p>	<p>කාලය } <b>2 hrs.</b>                  காலம் } <b>2 hrs.</b>                  Time } <b>2 hrs.</b></p>
<p>නම } .....                  பெயர் } .....</p>		<p>විභාග අංකය } .....                  சுட்டிலக்கம் } .....</p>	

\* Including question no. 01 answer 05 questions selecting 02 questions from each of the part I and II (Question 01 is Compulsory)

\* Answer question no. (i) to (xi) using the information of given case.

01. Miran who resident in Gamapaha, is a planter has owned land in hereditary. A six month professional training course of manufacturing coconut oil has also been completed. Miran, who owned a large property in Gampaha area inherited from farther, cultivating coconuts in 10 acres of the land and currently getting the harvest also. In addition sell coconuts, by paying attention to manufacturing coconut oil, started a coconut oil manufacturing business called "Mira Coconut Oil" in his own building, by investing Rs. 1,500,000 cash on 01.01.2023. On the same day, purchased a machine worth Rs. 800,000 and Rs. 300,000 valued equipment by obtaining a bank loan Rs 1,200,000 at 10% annual interest.

Two employees has been recruited for the business on 02.01.2023, while decided to hire a manager also. This business engages in, drying coconut of his land as well as, buying coconut. In addition, purchase wasted dried coconut refuse from nearby areas.

Following shows the transactions for the month ended 31.01.2023.

	Rs.
Purchasing coconut	150,000
Paid employee salaries	40,000
Purchased coconuts refuse	80,000
Selling coconut oil	450,000
Motor vehicle (lorry) rent	15,000
Paid electricity bill	10,000

Additional information

- Machine must be depreciated 12% annually at straight line method.
- The bank loan interest for the month of January has not been paid.
- No remaining stock of coconut , coconut refuse or coconut oil as at 31.01.2023

Due to decrease in coconut harvest in these days, the price of coconut has been increased and the price of coconut oil has been increased.

- i.
  - a. What is the human need fulfilled by "Meera Coconut Oil" business ?
  - b. Name two interested parties in "Meera Coconut Oil" business.
- ii.
  - a. What is the type of business organization, this business belong to, according to the ownership of business?
  - b. Name two advantages in that type of business organization.
- iii.
  - a. Name a strength and a threat in "Meera Coconut Oil" business.
  - b. Name two contributions of Miran for the development of this business.



03. i. Write two characteristics can be seen in small scale business. (2 marks)
- ii. State whether following statements are true or false.
- The Central Bank of Sri Lanka is the main body that regulates the banks and financial institutions in Sri Lanka. ( )
  - Sri Lanka purchase garments from China is an example of export trade. ( )
  - The party who writes and signs the cheque is called drawer. ( )
  - Insurance is considered as prevention of risks. ( )
- (2 marks)
- iii. A student Mayura, suddenly got sick at the school. Class Teacher Lalani informed about that to Mayura's farther over the phone. The farther who works in an institution near the school informed that he would come to the school very soon.
- Write the example for sender, message, receiver and the response mentioned in this case.
  - Write the communication medium and communication method mentioned in this case. (2 marks)
- iv. Sithum sells vegetables all over Mortauwa area using his lorry, while do his business activities in front of Moratuwa railway station every day in the evening, by parking his lorry targeting the passengers who getting off the trains.
- According to the above case, state the examples for the elements of transportation, the way, mode, power and terminal mentioned in it.
  - Write two advantages and two disadvantages of railway transportation. (2 marks)
- (Total 8 marks)

4. i. What is marketing? (2 marks)
- ii. State whether following statements are true or false.
- Allocation of resources in a business and creation of positions, belong to the organizing function. ( )
  - Effectiveness means, achieve the objectives as expected. ( )
  - There is a negative relationship between risk and the return in investment. ( )
  - Depositing money in a fixed deposit account of People's bank is an informal way of investment. ( )
- (2 marks)
- iii. Saman invested Rs 8,000,000 cash saved from his job, in a fixed deposit account in a private financial institution by expecting an annual interest rate of 26%. However, Central Bank of Sri Lanka has reduced the fixed deposit interest rate.
- Using the above case, name two factors that are considered in selecting an investment method (With examples).
  - What is an investment? (2 marks)
- iv. Due to, rapid increase in fixed deposit interest rates in the past, investors has more interested to open fixed deposits.
- What is a fixed deposit?
  - Name two advantages of investing in a fixed deposit account. (2 marks)
- (Total 8 marks)



**PART II**  
**Accounting**  
**(Answer two questions only)**

05. i. What is a transaction? (2 marks)
- ii. Write the correct double entry that use to record each transactions occurred in a business, given bellow.
- a. Owner invested Rs 200,000 to the business.
- b. Purchase a machine worth Rs. 50,000 from Sena Company for the use of business on credit. (2 marks)
- iii. Total assets and liabilities of Saliya's business as at 01.01.2023 as follows.

	Rs
Machineries	400,000
Stock	120,000
Debtors	80,000
Cash balance	50,000
Bank loan	150,000
Creditors	40,000

Following shows the impacts of transactions to the accounting equation of Saliya's business for the month of January 2023.

Date	Assets (Rs.)			Equity (Rs.)		Liability (Rs.)	
	Machineries	Stock	Debtors	Cash		Bank Loan	Creditors
01/03		+5,000					+5,000
01/10			-10,000	+10,000			
01/21				-20,000	-20,000		
01/30				-50,000		+50,000	

Required

- a. Describe the each transaction with the related amount recorded in accounting equation.
- b. Calculate the equity as at 31.01.2023. (4 marks)
- iv. Following shows the credit sales transactions of Sanjeewa's business for the month of January 2023.

Date	Invoice number	Supplier	Value (Rs)
2023/01/08	42	Wageesha	15,000
2023/01/20	60	Nethmi	12,000
2023/01/28	64	Dilakshi	20,000

Required

- a. Record the above transactions in the sales journal of Sanjeewa's business.
- b. Post the relevant transactions in sales journal to the ledger accounts as at 31.01.2023. (4 marks)
- (Total marks 12)

06. i. a. What is prime cost?  
 b. Following shows some information of production cost of 'Ruwan's furniture' manufacturing business for the month of January 2023

	Rs.
Purchase timber	50,000
Watchman salary	15,000
Electricity charges	5,000
Carpenter salary	12,000
Nails, glue and other materials	8,000
Machinery depreciation	2,000

Required

- a. Calculate the prime cost of Ruwan's furniture manufacturing business for the month of January 2023.  
 b. Calculate the production overhead cost of the business for the month of January 2023. (4 marks)
- ii. Monthly petty cash imprest of Sithum's business is Rs 4,000. Following shows the information regarding petty cash expense for the month of January 2023.

	Rs.
01/01 Cash in hand	300
01/01 Reimbursement of petty cash	
01/03 Bus fare	120
01/06 Registration charges of letters	80
01/10 A4 papers	250
01/14 Carriage inwards	400
01/19 Refreshment expense	100
01/23 Office racks	800
01/24 Taxi charges	200
01/26 Stamps and envelops	140
01/28 Cleaning charges	100
01/29 Salary advance to Nimal	500
01/30 Pen and pencils	200



Required

- a. Prepare petty cash book with analysis columns of travelling, postal, stationary, sundry expense and ledger accounts (4 marks)
- iii. The bank account balance of Siyath's business as at 31.05.2023 was Rs 28,500. But bank statement has a different balance. Following shows the reasons for the differences
- |  |          |
|--|----------|
| 1. Cheques deposited, but has not been credited (unrealized) | Rs.4,000 |
| 2. Bank charges  | Rs. 500  |
| 3. Dividend directly received to the bank                    | Rs.2,800 |
| 4. Cheques issued, but has not been presented to the bank    | Rs.6,400 |

Required

- a. Bank account adjusted as at 31.05.2023      b. Bank reconciliation statement as at 31.05.2023. (4 marks)

- iv. Following shows the ledger account balances of Kumudu's business as at 31.12.2023.

	Rs.
01/01 stock	50,000
Investment	600,000
Discount allowed	12,000
Discount received	6,000
Purchase	80,000
Sales	120,000
Bank overdraft	60,000
Cash	40,000

- Prepare the trial balance as at 31.12.2023 and calculate the capital at that date. (4 marks)

(12 marks)

07. i. Following information are provided of 'Api Dinamu' sports club for the year ended 31.12.2022

Membership fees received	Rs. 15,000
Games expenses	Rs. 6,000
Purchased of sports equipment	Rs. 3,000
Donation received	Rs. 25,000

- Cash balance as at 01.01.2022 is Rs 18,000.
- Number of members of the club is 250 while, annual membership fees per member is Rs 100.

Required

- Prepare the cash receipt and payment account for the year ended 31.12.2022.
- Prepare the income statement for the year ended 31.12.2022. (4 marks)

ii. Following shows the trial balance prepared by Kaveesha's business as at 31.12.2022.

	Debit (Rs.)	Credit (Rs.)
Gross profit		80,000
Capital as at 01.01.2022		120,000
Stationary expense	6,000	
Advertisement	12,000	
Rate charges	7,000	
Bank charges	4,000	
Stock as at 31.12.2022	40,000	
10% bank loan		100,000
Debtors	40,000	
Creditors		20,000
Machineries (at cost)	200,000	
Machine depreciation (as at 01.01.2022)		5,000
Insurance charges	12,000	
Electricity charges	3,000	
Building rent	10,000	
Discount received		5,000
Discount allowed	5,000	
Bank loan interest	6,000	
Bank balance		15,000
	<u>345,000</u>	<u>345,000</u>

Additional information

- Rs 1,000 should be written off as bad debts from the debtors.
- Machines should be depreciated annually at 10% straight line method.
- Insurance payables as at 31.12.2022 is Rs 2,000.

Required

- Prepare profit or loss statement of Kaveesha's business for the year ended 31.12.2022.
- Prepare statement of financial position of Kaveesha's business as at 31.12.2022.

(8 marks)

(Total 12 marks)