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வலயக் கல்வி காரியாலயம் - கொழும்பு
Zonal Education Office - Colombo

දෙවන වාර පරීක්ෂණය - 2022
இரண்டாம் தவணைப் பரீட்சை - 2022
Second Term Test - 2022

Grade 10
10 ශ්‍රේණිය
தரம் 10

ව්‍යාපාර හා ගිණුම්කරණ අධ්‍යයනය II පත්‍රය
வணிகமும் கணக்கீட்டுக் கல்வியும் வினாத்தாள்-II
Business & Accounting Studies Paper II

Two Hours
පැය දෙකයි
இரண்டு மணித்தியாலங்கள்

Instructions:

- ❖ Including question No.01 answer **five questions**, selecting **two** questions from each Part I and II

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

Randika was a mobile lottery tickets seller. He is currently facing difficulties in conducting his selling activities due to the travel restrictions imposed to prevent Covid 19. Therefore, he has decided to sell fruits and vegetables as an Essential Service. Following the health regulations enforced by the government, he has started the new venture on the 01 May 2021 investing Rs.60000 of his savings, his mobile truck worth Rs.500000 and Rs.25 000 borrowed from a friend. Following were the transactions taken place during May 2021;

		Rs.
01-May	Cash Purchases	60 000
12-May	Fuel Charges	5 000
13-May	Salaries paid	10 000
25-May	Purchased plastic baskets to carry the goods	10 000
31-May	Cash sales	100 000

In addition, Randika has taken goods worth Rs.1 000 for his household consumption. Randika always sells goods at a fair price to his customers.

- (a) State two Needs that can be seen in the above case.
(b) Write two characteristics of Wants.
- Name two factors of production that can be extracted from the above case with an example for each.
- Write two objectives to be fulfilled by a business organization.
- (a) State one Strength and one Opportunity of Randika's business.
(b) State two External environmental factors that can be seen in the above scenario.
- Name two Non-Current Assets of this business.
- Calculate the Equity of this business as at 01 May 2021.

- (vii) Record the impact of the transactions occurred on 01 May and 12 May in the basic Accounting Equation.
- (viii) Write two transactions that are affecting the Equity of this business.
- (ix) Calculate the Profit of Randika's business for the month ended 31 May 2021.
- (x) Calculate the owner's equity of the business as at 31 May 2021.

(02x10 =20 marks)

Part I – Business Studies

(Answer two questions only)

02.

- (i) (a) Define the term 'Wants'.
(b) Write three differences between 'Needs' and 'Wants'. (02 marks)
- (ii) State whether following statements are 'True' or 'False'.
 - (a) Wants can be created; but needs cannot be created. (.....)
 - (b) Opportunities can be identified by studying the internal environment of a business organization. (.....)
 - (c) Goods and services are produced in order to fulfill human needs and wants. (.....)
 - (d) Supplier is the person who provides capital to the business. (.....)(02 marks)
- (iii) Write two reasons why the manager is interested in a business as an interested party of the business? (02 marks)
- (iv) Write an example for each a physical labour contribution and a mental labour contribution into the business operations. (02 marks)

(Total 08 marks)

03.

- (i) Name four Economic Environmental factors which have an impact on a business. (02 marks)
- (ii) State whether following statements are 'True' or 'False'.
 - (a) A Partnership business does not have a continued existence. (.....)
 - (b) A legal personality can be obtained by registering a Sole Proprietorship. (.....)
 - (c) 'Ceylon Electricity Board' is a State Cooperation. (.....)

(d) 'Cooperative societies' are without democratic controls (.....)

(02 marks)

(iii) Write two strengths and two weaknesses of a business organization. (02 marks)

(iv) Write two characteristics of a 'Cooperative society'. (02 marks)

(Total 08 marks)

04.

(i) Name two bases of classification of business organizations. (02 marks)

(ii) Write two advantages and two disadvantages of a 'Sole Proprietorship' as a business organization. (02 marks)

(iii) State whether following statements are 'True' or 'False'.

(a) Business organizations with less than 25 employees are defined as large scale organizations. (.....)

(b) The number of partners in a Partnership is decided based on the Companies Act No.07 of 2007. (.....)

(c) The organizations with the objective of Social welfare are known as Clubs and Associations. (.....)

(d) State departments are under the direct control of the Government. (02 marks)

(iv) Name the Act under which the following organizations must be registered.

(a) Partnerships

(b) Cooperative Societies

(c) Sole Proprietorships

(d) Incorporated Companies

(02 marks)

(Total 08 marks)

Part II – Accounting

(Answer two questions only)

05.

(i) (a) State two characteristics of an 'Asset'.

(b) Define the term 'Equity'. (02 marks)

(ii) The equity of Suriya trading business as at 01 January 2019 was Rs.200 000. The income earned and the drawings for the year were Rs.125 000 and Rs.10 000 respectively. Additional capital invested during the year was Rs.25 000 and Rs.100 000 incurred as expenses for the year. Calculate the equity of Suriya trading business as at 31 December 2019. (02 marks)

(iii) Indicate the impact of the following transactions on the Accounting Equation given;

Non-Current Assets + Stocks + Debtors + Cash = Liabilities + Equity (04 marks)

- (1) Purchased a machine from Dhakshina (pvt) ltd Rs.50 000
- (2) Credit purchases of goods Rs.25 000
- (3) Obtained a bank loan Rs.150 000
- (4) Salaries and wages paid Rs.30 000
- (5) Received other income Rs.10 000
- (6) Received from a debtor Rs.15 000
- (7) Paid to creditors Rs.20 000
- (8) The owner has taken goods worth Rs.3 000 for his personal use.

(iv) Write the double entry of each of the above transactions from (1) to (8). (04 marks)

(Total 12 marks)

06.

(i) (a) What is known as a 'Source Document'?

(b) Name two source documents with the respective prime entry book of each.

(02 marks)

(ii) Classify the following items into '*Non-Current Assets, Current Assets, Equity, Non-Current Liabilities and Current Liabilities*'.

- | | | |
|-----------------------------|--------------------|---------------|
| (1) Stock of goods | (2) Bank loan | (3) Creditors |
| (4) Machinery and Equipment | (5) Drawings | (6) Debtors |
| (7) Motor Vehicle | (8) Bank overdraft | (02 marks) |

❖ Answer questions (iii) and (iv) using the following information.

The cash balance and the bank balance of Ramya Traders as at 01 January 2019 was Rs.34,000 and Rs.26,000 respectively. Following were the transactions taken place during the first week of January 2019;

- 01-Jan Received a cheque for cash sales Rs.12 000.
Cash purchases Rs.5 000.
- 02-Jan Paid a cheque for electricity expenses Rs.4 000.
Received other income Rs.1 600.
- 03-Jan The cheque received on 01 January was deposited to the bank.
Bought stationary for Rs.6 000. Half paid by cash. A cheque was issued for the rest.
- 04-Jan Credit sales of goods to Sirimal was Rs.15 000.
The owner has taken Rs.2 000 for his personal use.
- 05-Jan A cheque received from Sirimal and it was deposited to the bank on the same day.
Rs.7 000 was withdrawn from the bank for the use of the business.
- 07-Jan The cheque received from Sirimal was dishonoured.
Sundry expenses paid by a cheque Rs.1 000

Using the above transactions, prepare the following for the first week of January;

- (iii) Cash book (04 marks)
- (iv) Bank Account (04 marks)
- (Total 12 marks)

07.

- (i) (a) What is a 'Bank Statement'?
- (b) What is known as the 'Petty Cash Imprest'? (02 marks)
- (ii) The following ledger accounts were extracted from the retail business of Sirimevan. State whether the 'Increase' or 'Decrease' of each account to be recorded to 'Debit' or 'Credit' side using the format provided. (02 marks)

Account Name	Increase	Decrease
Furniture Account		
Sales Account		
Capital Account		
Electricity Charges Account		

- (iii) The petty cash imprest of Indira's business is Rs.2,000. Following are the petty cash transactions taken place during the first week of January 2019;

Date	Voucher No.	Description	Amount (Rs.)
01-Jan		Petty cash Imprest	2 000
01-Jan	01	Stamps	50
02-Jan	02	Vehicle parking charges	75
03-Jan	03	Office furniture	1 300
03-Jan	04	Bought correction ink	60
04-Jan	05	Three wheeler charges	100
05-Jan	06	Registered post letters	90
06-Jan	07	Candles	80
07-Jan		Reimbursed the petty cash imprest	

Prepare the Petty Cash book of the above business for the first week of January 2019, including the analytical columns for 'Postage, Travelling, Miscellaneous and Ledger A/C'. (04 marks)

- (iv) The balance of the bank account prepared by Keerthi Trading organization was Rs.23,000 as at 31 March 2019. This was different from the balance in the bank statement received on that date. The following reasons for the difference were identified subsequently.
- (1) Cheques deposited to the bank during the month were Rs.18,000. Only Rs.10,000 of this has been realized to the bank by the end of the month.
- (2) Bank charges deducted on 31 March 2019 was Rs.1,500.

- (3) A standing order payment of Rs.3,000 was paid by the bank for a Newspaper bill on the 20 March 2019. This has not been recorded in the books of the business.
- (4) The bank has directly received Rs.12,000 from a debtor. This has not been recorded by the business.
- (5) Cheques issued by the business for Rs.9,000 during the month, have not been paid by the bank yet.
- (6) The bank has charged Rs.2,000 for the cheque books obtained by the business during March. This has not been recorded by the business.

Required;

Prepare the following;

(a) Adjusted Bank Account

(b) Bank Reconciliation statement as at 31 March 2019.

(04 marks)

(Total 12 marks)
