

60 E I, II

**අධ්‍යාපන පොදු සහතික පථ (සාමාන්‍ය පෙළ) විභාගය, 2023 (2024)
කළම්ප පොතුත් තරාතරප පත්තිර (සාතාරණ තර)ප පරිශෑස, 2023 (2024)
General Certificate of Education (Ord. Level) Examination, 2023 (2024)**

ව්‍යාපාර හා තිබුම්කරණ අධ්‍යාපනය	I, II
වැඩිකක් කල්ඩියුම් කණකක්මූ	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).

Amila who hails from a traditional medicinal family is an Ayurvedic doctor in Girankula village. He started a business named as 'Ayura' on 01.01.2024 by investing Rs.800 000 in cash to produce and sell Ayurvedic medicine products for eye diseases in the Rs.500 000 worth building given by his father. On the same day he purchased machines and equipment for Rs.400 000. Some raw materials required to produce 'Ayura' products are bought from Girankula village. To protect the quality, raw materials are used for the production of medicine after drying them in sunlight.

Following are the transactions occurred during the month ended 31.01.2024.

	Rs.
Purchases raw materials	350 000 ←
Telephone expenses	5 000
Wages - Production employees	45 000 ←
Sales employees	60 000
Other production expenses	30 000
Advertisement expenses	15 000 ←
Distribution vehicle charges	150 000 ←
Sales on credit	900 000

Additional information:

- There is no any raw materials and finished goods as at 31.01.2024.
 - Machines and equipments should be depreciated at 6% annually on straight line basis.
 - Monthly electricity bill Rs.10 000 was not paid as at 31.01.2024. - accrued

The orders taken from local customers via telephone, fax messages and emails are distributed by the business. A web page is being designed for online orders of foreign customers and it has been decided to obtain a direct online payment gateway to the business.

- (i) (a) What is the basic human need fulfilled by the 'Ayura' business?
 (b) What is the type of business organization that 'Ayura' business belongs according to the objective?

(ii) (a) Write an example each for a strength and an opportunity of 'Ayura' business.
 (b) Write two methods of communication for electronic written communication medium included in the above case.

I see page eight

- (iii) Name the production factor that each of the following items of 'Ayura' business belongs.
- Production employees
 - Building of the business
 - Sunlight used for drying raw materials
 - Amila's business organizing ability
- (iv) (a) Write an example for each planning and organizing which are the functions of management included in the above case.
- (b) What is the variable of marketing mix that getting orders by online method belongs?
- (v) Write the basic accounting equation with amounts in 'Ayura' business as at 01.01.2024.
- (vi) For recording sales Rs. 900 000,
- what is the source document?
 - what is the prime book?
- (vii) (a) What is the amount of depreciation of machines and equipment included in the profit or loss account prepared for the month ended 31.01.2024?
- (b) Write the double entry for recording the amount of depreciation in above (vii) (a).
- (viii) (a) Write two expenses with amounts included in the prime cost of 'Ayura' products.
- (b) Write two selling and distribution expenses with amounts in 'Ayura' business.
- (ix) Calculate the profit or loss of 'Ayura' business for the month ended 31.01.2024.
- (x) (a) What is the total amount of non current assets of 'Ayura' business as at 31.01.2024?
- (b) What is the equity of 'Ayura' business as at 31.01.2024?

(02 × 10 = 20 marks)

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

2. (i) Write two characteristics of a Sole proprietorship business. (02 marks)
- (ii) State whether the following statements are true or false.
- According to the ownership, business organizations are classified as private and public sectors.
 - By studying internal environmental factors, business opportunities and strengths are identified.
 - The premises of business building always belongs to the production factor, land.
 - The owner of a business is entitled to unlimited liability irrespective of the type of business organization.
- (02 marks)
- (iii) Following are two types of businesses.
- A – National Hospital Colombo
B – Sumaga Driving School
- (a) What are the human needs fulfilled by the above A and B?
- (b) Categorize the above A and B businesses according to the nature of the product. (02 marks)
- (iv) Aravinda who owns a large scale supper market network, has decided to use Artificial Intelligence and Robotics to fix the discounts by identifying customers' needs.
- (a) What is the type of business organization that super market in the above case belongs?
- (b) Write a technological environmental factor included in the above case. (02 marks)
- (Total 08 marks)
3. (i) Write two differences between property insurance and life insurance. (02 marks)
- (ii) State whether the following statements are true or false.
- To obtain bank overdraft facilities, having a savings account in a commercial bank is required.
 - An email is an internal as well as external communication method in a business.
 - The principle of indemnity is not relevant to life insurance.
 - Jaffna railway station is an example for the element of transportation, terminal. (02 marks)

(iii) Amara who runs a garment factory has issued a cheque Rs. 100 000 to Sarath for the raw materials purchased. While Amara maintains his current account in People's Bank, Sarath in Bank of Ceylon.

(a) Name the drawee and the drawer of the cheque included in the above case.

(b) Write two actions that Sarath can do related to the cheque received from Amara.

(02 marks)

(iv) A customer gave a telephone call to Deepal, the manager of bag production business ordering 50 bags. Having accepted the order, Deepal confirmed to supply the bags within two days.

Write examples for each element of communication, in the communication process included in the above case.

(02 marks)

(Total 08 marks)

4. (i) What is a 'target market'? (02 marks)

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

(a) High risk implies in investments expected with high return.

(b) Discounts offered by a business belong to the variable of price in the marketing mix.

(c) The first function in the management process is organizing.

(d) Treasury bills are issued to fulfil long term capital requirements of the government.

(02 marks)

(iii) Following are the statements related to a proposed warm protected water bottle introduced by a marketing manager.

A – The height of the bottle is 15 cm and the colour is green.

B – The initial introduction is occurred near schools.

C – Price includes 10% profit margin on cost.

D – Advertisement is done via television.

Write variables of marketing mix related to each statements A, B, C and D. (02 marks)

(iv) Ruvini intends to invest her savings in the following investments.

A – Listed companies in the Colombo Stock Exchange

B – A fixed deposit in a government bank

C – A savings deposit in a government bank

D – To buy jewellery

(a) If Ruvini expects to get capital gains, what is the investment you recommend?

(b) If Ruvini expects to get a fixed monthly interest what is the investment you recommend?

(02 marks)

(Total 08 marks)

Part II - Accounting

(Answer two questions only.)

5. (i) What is 'Accounting'? (02 marks)

(ii) State the type of account each of the following accounts belongs.

(a) Debtors account

(b) Drawings account

(c) Sales account

(d) Bank loan account

(02 marks)

[see page ten]

- (iii) (a) Sahan started a business by investing Rs.100 000 on 01.01.2024. Write the accounting equation of Sahan's business after this transaction.
- (b) The accounting equation of Sahan's business mentioned in above (iii) (a) changed as given below after one transaction.

Assets	=	Equity	+	Liabilities
Rs. 200 000		Rs. 100 000		Rs. 100 000

Cash in asset increased by Rs. 100 000 through this transaction. Write the transaction occurred.

- (c) Some transactions occurred in Pubudu's business are given below.

1. Purchasing a stock of goods Rs. 10 000 on credit
2. Receiving from a debtor Rs. 20 000
3. Selling a stock of goods Rs. 50 000 on credit which cost Rs. 35 000

Indicate how the above transactions impact on the accounting equation of Pubudu's business. (To answer, use a format similar to one given below. The impact of the first transaction has been given.)

Transaction No.	Assets	Equity	Liabilities
1	Increase	-	Increase
2			
3			

(04 marks)

- (iv) The balance of cash book in Suran's business as at 01.03.2024 was Rs. 15 800. The information relevant to the cash transactions in the month of March 2024 is given below.

Date	Receipt No.	Voucher No.	Description
05.03.2024	15		Selling goods in cash Rs. 35 000
10.03.2024		24	Purchasing furniture Rs. 60 000
17.03.2024	16		Receiving from a debtor Rs. 45 000
29.03.2024	-	25	Paying electricity bill Rs. 15 000

Required:

Preparing the cash book of Suran's business and indicating the cash balance as at 31.03.2024. (04 marks)

(Total 12 marks)

6. (i) Following are two reasons to differ closing balances of bank account of the business and the bank statement.

1. Cheques issued but not presented to the bank
2. Cheques deposited but not realized

State whether because of each of the above reasons increase or decrease the balance of bank account of the business. (02 marks)

- (ii) Write an example for the type of cost, relevant to each of the following product.

No	Product	Type of cost	Example
1	Bread	Direct material cost
2	School uniform	Direct labour cost

(02 marks)

(iii) Following are the information of Nimanthi's floor mats sewing business for the month of April 2024.

	Rs.
Purchasing of cut pieces cloth	60 000
• Purchasing a sewing machine on credit..... (This is depreciated at 10% annually)	120 000
• Purchasing thread, needles and other material.....	2 000
• Paying wages to floor mats sewer	40 000
• Paying wages to cleaner of sewing place.....	10 000
Paying electricity bill of the month of April	5 000
Paying monthly rent of the business	8 000

- The cost of production per floor mat is Rs. 126.

Required :

(a) Production cost statement for the month of April 2024

(b) Number of floor mats produced during the month of April 2024

(04 marks)

(iv) Following is the bank reconciliation statement prepared by a trainee accounts clerk in a business as at 31.03.2024.

Bank reconciliation statement

	Rs.	Rs.
Bank account balance as at 31.03.2024		33 000
Add:		
• Direct remittances of debtors	13 000	
Cheques deposited but not realized	24 000	37 000
		70 000
Less:		
• Bank loan installment	5 000	
• Charges of cheque books	1 000	
Cheques issued but not presented	15 000	(21 000)
Balance as bank statement		49 000

Required :

(a) Adjusting bank account balance as at 31.03.2024

(b) Preparing the correct bank Reconciliation statement as at 31.03.2024

(04 marks)
(Total 12 marks)

7. (i) Write two items that are recorded as credit in Receipt and Payment account but not included in Income and Expenditure account in a not for profit organization. (02 marks)
- (ii) The following are some information extracted from accounts books prepared for the year ended 31.12.2023 in Dilena Tharu Sports Club.

Receipts during the year	Payments during the year
Membership fees Rs. 30 000	Maintaining the pavilion Rs. 12 000
Donations Rs. 10 000	Electricity charges Rs. 8 000

Additional information :

- Membership fees receivable Rs. 2 000 as at 31.12.2023
- Electricity charges to be paid Rs. 6 000 as at 31.12.2023

Required :

Writing four items with amounts that should be included in the Income and Expenditure account prepared for the year ended 31.12.2023 in Dilena Tharu Sports Club. (02 marks)

(iii) Following is the trial balance of Duminda's retail trading business as at 31.12.2023.

	Debit (Rs.)	Credit (Rs.)
Purchases	380 000	
Sales.....		550 000
Stocks as at 01.01.2023	80 000	
Carried inwards.....	10 000	
Debtors	190 000	
Creditors		244 000
10% Bank loan		100 000
Paid bank loan interest	6 000	
Distributing vehicles (at cost)	400 000	
Provision for depreciation of distributing vehicles (as at 01.01.2023)		40 000
Furniture and equipment (at cost)	120 000	
Electricity charges	60 000	
Advertisement expenses	44 000	
Cash balance	44 000	
Capital		400 000
	<u>334 000</u>	<u>1 334 000</u>

Additional information :

- Stock at 31.12.2023 is Rs. 88000.
 - Distributing vehicles by 5% and furniture and equipment by 10% are depreciated annually on straight line method.

Required:

- (a) The statement of Profit or Loss of Duminda's business for the year ended 31.12.2023 (04 marks)
(b) The statement of Financial Position of Duminda's business as at 31.12.2023 (04 marks)

(Total 12 marks)

三

60 E I, II

**ஒடிசயன பலை கல்வி பலு (காமுகை பேல) வினாக்கள், 2023 (2024)
கல்விப் பொதுத் தராதரப் பத்திர (சாதாரண தரு)ப் பரிட்சை, 2023 (2024)**
General Certificate of Education (Ord. Level) Examination, 2023 (2024)

வினாபூர் மற்றும் கணக்கியல் வினாக்கள்	I, II
வணிகக் கல்வியும் கணக்கீடும்	I, II
Business and Accounting Studies	I, II

ஏடு நூற்று
மூன்று மணித்தியாலம்
Three hours

எனின் விபரிடி காலை - தினித்து 10 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.

Damitha and Amitha, studying at Gurualla Vidyalaya, went to Sisil cool spot with their teacher to have fruit juice and fulfil their thirst while doing sports practices. Amal runs the Sisil cool spot in a rented building at Gurualla Trade centre. Amal buys fruits to prepare fruit juice from Haritha farm where fruits are grown only using organic fertilizer.

I see page two

6. The following table indicates some business names and types of business organizations.

Business name	Type of business organization
1. Sri Lanka Ports Authority	A - Incorporated Companies
2. Eksath sports society	B - State Corporations
3. Lak Public Limited Company	C - Partnerships
4. Gannunu and Vipula Furniture shop	D - Associations

Select the answer that the above business names are matched correctly with the types of business organizations respectively.

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

7. A business for profit is

- (1) Sri Lanka Railways. (2) Sri Lanka Telecom PLC.
 (3) Sri Lanka Bureau of Foreign Employment. (4) University Grant Commission.

8. A drawee of a cheque is always

- (1) a current account holder. (2) a licensed commercial bank.
 (3) a savings account holder. (4) the Central bank of Sri Lanka.

9. Following are two statements related to the current accounts.

A - Current accounts can be opened in licensed commercial banks only.

B - A higher interest rate is given for current accounts than savings accounts.

Select the correct answer related to the above statements.

- (1) Only A is true. (2) Only B is true.
 (3) Both A and B are true. (4) Both A and B are false.

10. Ceylon Petroleum Corporation of Sri Lanka adjusts the fuel prices every month. What is the element of transportation implied in this statement?

- (1) Way (2) Mode
 (3) Power (4) Terminal

11. The manager of Araliya company has sent a purchasing order to a supplier via a fax message. Here,

- (1) there is a communication process with all elements of communication.
 (2) the communication method is the fax message.
 (3) the recipient of the message is the manager of Araliya company.
 (4) the communication medium is electronic verbal.

12. Select the answer that indicates the principles of insurance affected to life insurance.

- (1) Insurable interest and utmost good faith
 (2) Insurable interest and indemnity
 (3) Utmost good faith and indemnity
 (4) Insurable interest and contribution

- Answer the questions No. 13 and 14 using the following case.

Kumari used to buy vegetables for her weekly consumption from Rama, who grows organic vegetables in his farm and sells them door-to-door.

13. Rama and Kumari included in the above case are respectively

- (1) retailer and consumer. (2) consumer and retailer.
 (3) wholesaler and retailer. (4) wholesaler and consumer.

14. The variable of the marketing mix which door-to-door selling belongs to is

- (1) product. (2) price.
 (3) place. (4) promotion.

15. What is the function of the management process that ringing the bell to separate periods in the school belongs to?

- (1) Planning ✓
 (3) Leading
- (2) Organizing
 (4) Controlling

16. Samarasinghe invests his retirement gratuity in companies listed in the Colombo Stock Exchange. The financial benefits that Samarasinghe can receive are

- (1) interest income and dividends.
 (3) dividends and capital gains.
- (2) interest income and capital gains.
 (4) dividends and wages. ✓

17. According to the double entry principle, an account recorded as increases debit decreases credit is

- (1) debtors account.
 (3) discounts received account.
- (2) creditors account.
 (4) capital account. ✓

18. In a business engaged in buying and selling computers, the computers considered as non current assets are the computers which are

- (1) in the stores for sale.
 (2) in the shop for sale.
 (3) used in office.
 (4) obtained for the owner's use.

● Answer the questions No. 19 to 21 using the following case.

Following are some transactions occurred in Rohana's business during the month of January 2024.

A - Purchasing a stock of goods on credit Rs. 25 000 ✓

B - Purchasing of furniture in cash Rs. 75 000 ✓

C - Selling a stock of goods on credit Rs. 40 000 which cost Rs. 25 000 ✓

D - Paying a creditor Rs. 15 000

19. The transactions of Rohana's business that affect to assets are

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

20. The equity of this business as at 31.01.2024 has been increased by

- (1) Rs. 15 000. ✓
 (2) Rs. 25 000.
 (3) Rs. 40 000.
 (4) Rs. 65 000.

21. Total liability of Rohana's business as at 31.01.2024 was Rs. 90 000. Before the above transactions the amount of total liability of the business as at 01.01.2024 is

- (1) Rs. 55 000.
 (2) Rs. 65 000.
 (3) Rs. 80 000. ✓
 (4) Rs. 105 000.

22. What is the transaction that both assets and liabilities in a business decrease?

- (1) Obtaining Rs. 5 000 by the owner for personal use ✓
 (2) Paying Rs. 15 000 to creditors
 (3) Paying Rs. 13 000 electricity bill
 (4) Purchasing a stock of goods Rs. 45 000 on credit

A ↓ L ↓

- Answer question No. 23 and 24 using the following source document.

Invoice Raj Traders No. 25, Kurunegala				
Manager Vijaya Telephone Company No. 200 Wariapola	<i>Buyer</i>	No. 1820		
		Date 25.02.2024		
Serial No.	Description	Quantity	Unit price (Rs.)	Amount (Rs.)
01	Mobile phones Less 10% trade discount	20	15 000	300 000 (30 000) 270 000

If payment is made before 25.03.2024, discount is 5% .

Sahan Wickramasinghe
Sales Manager

[see page five]

28. Select the answer that includes only the items used for adjusting the balance of bank account in a business.
- Debtor remittances, payments on standing orders
 - Debtor remittances, cheques deposited but not realized
 - Cheques deposited but not realized, cheques issued but not presented to the bank
 - Cheques issued but not presented to the bank, payments on standing orders
29. What is the transaction caused to decrease the bank statement balance than the balance in the bank account of the business?
- Cheques issued but not presented to the bank Rs. 10 000
 - Cheques deposited but not realized Rs. 12 000
 - Dividends income received directly to the bank Rs. 8 000
 - Debtor remittances Rs. 5 000
30. In the year 2023, the total income of Rantharu Sports Society was Rs. 230 000 and the total expenses was Rs. 180 000. Accordingly for the year 2023, Rantharu Sport Society earned a
- | | |
|-------------------------|-------------------------|
| (1) surplus Rs. 230 000 | (2) deficit Rs. 180 000 |
| (3) surplus Rs. 50 000 | (4) deficit Rs. 50 000 |
31. The annual membership fee for Sumaga children's Society is Rs. 200. Total members are 50 and 10 members have not paid membership fees for the year 2023. The membership fee included in the receipt and payment account of the society prepared for the year 2023 is
- Rs. 8 000.
 - Rs. 10 000.
 - Rs. 96 000.
 - Rs. 120 000.
32. Select the answer that shows the elements of total production cost..
- Direct material cost, direct labour cost, direct other expenses, prime cost
 - Direct material cost, direct labour cost, direct other expenses, production overhead cost
 - Indirect material cost, indirect labour cost, indirect other expenses, production overhead cost
 - Direct material cost, direct labour cost, direct other expenses, production cost
- Answer question No. 33 and 34 using the following information.

Following are expenses related to the printing 500 children's books.

	Rs.
Paper and ink	150 000
Royalty per book printed	100
Wages for a machine operator	35 000
(There are two machine operators)	
Glue, thread and other materials	5 000
Supervisor's salary	25 000
Monthly electricity bill for printing section	20 000

33. The total value of indirect other expenses related to children's book production is
- Rs. 20 000.
 - Rs. 25 000.
 - Rs. 50 000.
 - Rs. 100 000.
34. Production cost of a children's book is
- Rs. 470.20.
 - Rs. 540.20.
 - Rs. 570.00.
 - Rs. 640.00.

- Answer the questions No. 35 to 40 using the following information.

Saman started a service providing business on 01.01.2023 by investing Rs. 500 000 and purchased office equipments Rs. 320 000 from it. Some information relevant to the year ended 31.12.2023 are given below.

	Rs.
Income receipts :	
Service income	230 000
Commission income	75 000
Expenses payments :	
✓ Employee salaries	120 000
Advertisement expenses	40 000
Loan interest	2 000
✓ Stationery expenses	10 000
✓ Electricity expenses	15 000
Assets of the business as at 31.12.2023 :	
Office equipments (at cost)	320 000
Cash balance	50 000
Liabilities of the business as at 31.12.2023 :	
✓ Bank overdraft	10 000
10% Bank loan	50 000
✓ Accrued salary	20 000
✓ Accrued loan interest	3 000

Additional information:

- There is no any stocks as at 31.12.2023.
 - Employees salaries Rs. 20 000 for the month of December 2023, has not been paid as at 31.12.2023.
 - Commission income Rs. 15 000 relevant to the year 2023, should be received as at 31.12.2023.
 - Office equipments should be depreciated at 10% annually.
35. Employees salaries included in the Income statement prepared for the year ended 31.12.2023 is
 (1) Rs. 20 000. (2) Rs. 100 000. (3) Rs. 120 000. (4) Rs. 140 000.
36. The total of establishment and administration expenses included in the Income statement prepared for the year ended 31.12.2023 is
 (1) Rs. 145 000. (2) Rs. 165 000. (3) Rs. 177 000. (4) Rs. 197 000.
37. The total of current liabilities of Saman's business as at 31.12.2023 is
 (1) Rs. 3 000. (2) Rs. 20 000. (3) Rs. 33 000. (4) Rs. 83 000.
38. The total assets of Saman's business as at 31.12.2023 is
 (1) Rs. 338 000. (2) Rs. 353 000. (3) Rs. 370 000. (4) Rs. 385 000.
39. The net profit of Saman's business for the year ended 31.12.2023 is
 (1) Rs. 63 000. (2) Rs. 78 000. (3) Rs. 95 000. (4) Rs. 133 000.
40. Total equity of Saman's business as at 31.12.2023 is
 (1) Rs. 563 000. (2) Rs. 578 000. (3) Rs. 595 000. (4) Rs. 633 000.

* *