

බස්නාහිර පළාත් අධ්‍යාපන දෙපාර්තමේන්තුව மேல் மாகாணக் கல்வித் திணைக்களம் Department of Education - Western Province			
වර්ෂ අවසාන ඇගයීම - 2024 (2025) ஆண்டிறுதி மதிப்பீடு - 2024 (2025) Year End Evaluation - 2024 (2025)			
ශ්‍රේණිය தரம் Grade	11	විෂයය பாடம் Subject	පත්‍රය வினாத்தாள் Paper
		Business & Accounting Studies	I
නම பெயர் Name		විභාග අංකය சட்டிடலக்கம் Index No.	
		කාලය காலம் Time 1 Hours	



- Answer all the questions
- Select the most appropriate answer from the given answers (1), (2), (3), (4) from question No. 01 to 40. Put (x) mark on the relevant answer in front of the question number in the answer sheet provided.

- Answer question No. 01 to 05 by using the case given below.

Sasindu who lives in Hikkaduwa has obtained a diploma in Batik related products from National Crafts Council to start his own business, though he was not selected for the university education. He started a business named as "Sasindu Batiks" to produce batik related garments with the financial contribution by his father. The day to day demand and attraction to the batik garments have been increased by the local as well as foreign tourists.

01. What is the basic human need fulfilled by "Sasindu Batik"?

1. Food
2. Clothing
3. Security
4. Entertainment
02. What is the factor of production that the batik fabric is used to produce garments belongs to?

1. Land
2. Labour
3. Capital
4. Entrepreneurship
03. The business organization of "Sasindu Batik" which is classified based on the ownership is,

1. Public Sector business organizations
2. Sole Proprietorships

3. Partnerships
4. Associations
04. What is the internal environmental factor of sasidu batik belongs to,

1. Foreign Tourists
2. Father of Sasindu
3. Sasindu
4. Local Tourists
05. Sasindu Batik should be registered under,

1. Companies Act No. 07 of 2007
2. Business Name ordinance No. 06 of 1918

3. Prevention of Fraud Ordinance of 1840
4. Partnership Ordinance of 1890
06. Kalindu is carrying out a business of photography studing in higher diploma in photography is relevant to its business as,

1. A strength
2. An opportunity
3. A weakness
4. A threat
07. An advantage as well as a characteristic of cooperative societies is,

1. Shared economic benefit

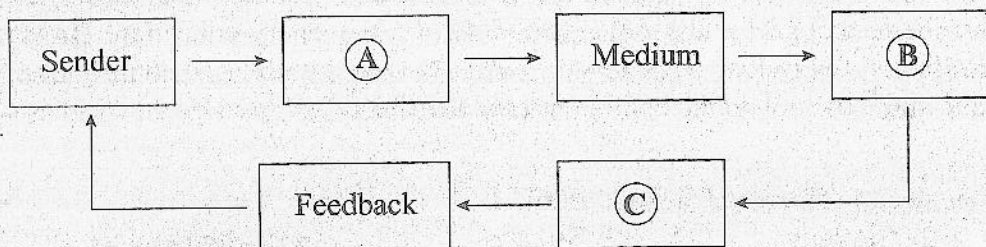
2. Democratic control

3. Collective ownership of members

4. Government provides various incentives for conducting cooperative societies.

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08. What is the correct answer for the numbers are printed respectively on the Magnetic Ink character Recognition space (MICR space) of a cheque?
1. Bank number, cheque number, Bank branch number, Bank account number
 2. Bank number, Bank branch number, cheque number, Bank account number
 3. Bank account number, cheque number, Bank branch number, Bank number
 4. Cheque number, Bank number, Bank branch number, Bank account number
09. Which of the following is not an importance of the service related to electronic cash?
1. Incurring an extra cost
 2. Instantaneity
 3. Minimizing the risk
 4. No risk of data being destroyed
10. Which of the following statements is an example for wholesale trade?
1. Purchasing vegetables from mobile retail store for the consumption
 2. Purchasing five kilos of paddy from paddy store by the retail business
 3. Purchasing one thousand bricks by a contractor to construct a house
 4. Purchasing fifty buns for annual sports meet
11. "The insurer" out of the parties involved in insurance is always
1. The party who obtains the insurance coverage
 2. All the other parties will be affected
 3. The party who provides the insurance coverage
 4. All the parties will be affected by an insurance
12. Communication process can be explained by the diagram given below.



What is the correct answer for (A), (B) and (C) elements

1. Receiver, Message, Reaction
 2. Reaction, Receiver, Message
 3. Message, Reaction, Receiver
 4. Message, Receiver, Reaction
13. Select the correct set of examples belong to the transportation medium as a element of transportation
1. Railways, Water ways, Airways, Roads
 2. Buses, Trains, Ships, Aeroplanes
 3. Solar power, Gas, Electricity, Fuel
 4. Bus stop, Harbour, Railway station, Airport
14. Students of Raddholugam Central college planned to conduct a commerce day. They hope to follow the several steps for that process are given below.
1. Appointing the committees according to each activity
 2. Naming of Leaders and committee members
 3. Finding out whether committees have been carried out properly
 4. Deciding a theme for the commerce day.
15. A variable could be included in marketing mix is,
1. Price
 2. Place
 3. Product
 4. Promotion
16. A factor to be considered when selecting an appropriate investment method is,
1. Easy to invest.
 2. Return from the Investment.
 3. Interest income received from the investment
 4. Interest income received by investing in land

17. Main objective of Accounting is,
1. To know whether the business earned an adequate profit.
 2. To know whether the financial position of the business is sound.
 3. To provide information to the stakeholders for decision making.
 4. To fulfill current legal requirements.
18. What is the relevant type of accounts that increase credit and decrease debit in double entry principles.
1. Expense and income accounts.
 2. Equity and expense accounts.
 3. Liability and asset accounts.
 4. Income and expense accounts

• Use the following information to answer question no. 19 to 21.

Following transactions are related to the Kamalini's business during October 2024.

A - Obtained a bank loan Rs. 50,000

B - Sold stock Rs. 20,000 on credit and the cost of stock was Rs. 15,000

C - Purchased equipments Rs. 10,000 on cash.

D - Paid electricity bill for September Rs. 3,000

19. The transaction that affect to increase liability of Kamalini is business
1. D
 2. C
 3. B
 4. A
20. Change of equity as at 31.10.2024 is,
1. Increased by Rs. 5,000
 2. Decreased by Rs. 3,000
 3. Decreased by Rs. 2,000
 4. Increased by Rs. 2,000
21. Cash balance as at 31 October 2024 of Kamalini's business is,
1. Rs. 60,000
 2. Rs. 57,000
 3. Rs. 47,000
 4. Rs. 37,000
22. Which of the following statements shows the correct accounting equation?
1. Equity = Assets + Liabilities
 2. Assets = Equity + Liabilities
 3. Liabilities = Equity – Assets
 4. Equity = Liabilities – Assets
23. Following are some prime entry books and source documents of the business.

Prime Entry Book	Source Document
1. Cash Book	A Journal voucher
2. Purchase Journal	B Petty cash payment voucher
3. General Journal	C Receipt
4. Petty cash book	D Purchase invoice

What is the correct answer when matching prime entry books with relevant source documents as mentioned above?

1. B C D A
 2. A C D B
 3. C D A B
 4. D C A B
24. Select the correct statements from the followings,
- (A) The discounts can be classified as trade discounts and cash discounts when the transaction is incurred
 - (B) Discount allowed and discount received are relevant to the cash discount only.
 - (C) Cash discounts are accounted according to the double entry rule.
 - (D) Cash discounts are recorded in the memorandum columns of cash book.
1. A and B only
 2. A, B and C only
 3. A, B and D only
 4. A, C and D only
25. Petty cash imprest should be always reimbursed, when,
1. At the end of each month
 2. Before the petty cash imprest is over.
 3. At any moment which petty cashier prefers
 4. The main cashier informs to reimburse

Bank overdraft to a business is,

- | | |
|------------------------|----------------------------|
| 1. A current Asset | 2. A Non-current Asset |
| 3. A current liability | 4. A Non-current liability |

The correct double entry to record the dishonoured deposited cheque is,

- | | |
|---|---|
| 1. Debtors account - Dr / Bank account - Cr | 2. Bank account - Dr / Debtors account - Cr |
| 3. Bank account - Cr / Creditors account - Cr | 4. Creditors account - Dr / Bank account - Cr |

Which of the following transaction is recorded in General Journal?

1. Received Rs. 5,000 from a debtor
2. Purchased stock Rs. 10,000 on credit basis
3. Purchased a machine Rs. 50,000 on credit for office use.
4. Sold goods Rs. 30,000 to Kamal and the cost of the goods Rs. 20,000

A tele bank service offered by the banks to a businessman is,

1. Transferring the cash from one account to another account
2. Financial transactions are performed very quickly
3. Saving of time and labour cost
4. Ability to transact conveniently

The correct statement related to trial balance is,

1. Trial balance is a ledger account with debit and credit sides.
2. The list which is prepared at the end of the period by including all the debit and credit balances of ledger accounts.
3. Total of debit column is always tallied with the total of credit column of trial balance.
4. Trial balance is prepared according to double entry rule.

Omitting of sales invoice Rs. 40,000 is identified in accounting process as,

1. As error may occur when recording transactions in prime entry book.
2. An error may occur when transactions are posted to the ledger accounts.
3. An error may arise when balancing ledger accounts.
4. An error may occur in the preparation of trial balance.

What is the relevant Journal entry to rectify the error occurred that the cash sales of Rs. 53,000 was correctly recorded to cash book, but it has been recorded to sales account as Rs. 35,000.

- | | |
|--------------------------------------|-----------------------------------|
| 1. Sales account - Dr. - Rs. 18,000 | 2. Sales account - Dr. Rs. 18,000 |
| Suspense account - Cr. Rs. 18,000 | Cash account - Cr. Rs. 18,000 |
| 3. Suspense account - Dr. Rs. 18,000 | 4. Cash account - Dr. Rs. 18,000 |
| Sales account - Cr. Rs. 18,000 | Suspense account - Cr. Rs. 18,000 |

Use the following information to answer question no. 33 and 34.

Following information is related to "Minimuthu" Sports club membership fees for the year 2024.

No. of members as at 01.01.2024 150 monthly subscription Rs. 100

20 New members were admitted during 2024 and 05 members were resigned at the beginning of the year. Further 03 members have not paid their subscription for last three months.

The subscription amount to be stated in income statement for the year ending 31.12.2024 of "Minimuthu" sports club is,

- | | | | |
|----------------|----------------|----------------|----------------|
| 1. Rs. 204,000 | 2. Rs. 198,000 | 3. Rs. 197,100 | 4. Rs. 180,000 |
|----------------|----------------|----------------|----------------|

The subscription amount arrears for the year 2024 is,

- | | | | |
|------------|------------|-------------|-------------|
| 1. Rs. 300 | 2. Rs. 900 | 3. Rs. 2400 | 4. Rs. 3600 |
|------------|------------|-------------|-------------|

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

Trial balance of Tharuka Traders as at 31.12.2023 is given below.

	Debit (Rs.)	Credit (Rs.)
Purchases	300,000	
Sales		500,000
Stock as at 01.01.2023	60,000	
Electricity	10,000	
Debtors	50,000	
Creditors		30,000
Machinery (at cost)	80,000	
10% Bank loan		200,000
Rent Income		20,000
Advertising	5,000	
Bank loan Interest	10,000	
Telephone charges	15,000	
Capital as at 01.01.2023.		500,000
	<u>1,250,000</u>	<u>1,250,000</u>



Additional Information

1. Shock as at 31.12.2023 Rs. 25,000
2. Accrued electricity expense as at 31.12.2023 Rs. 2,000
3. Machinery is depreciated at 10% per annum on straight line method.

35. The cost of goods presented for sales of Tharuka's business as at 31.12.2023 was,
 1. Rs. 60,000 2. Rs. 300,000 3. Rs. 335,000 4. Rs. 360,000
36. The gross profit of the business for the year ended 31.12.2023 was,
 1. Rs. 115,000 2. Rs. 165,000 3. Rs. 300,000 4. Rs. 335,000
37. The total administration expense of Tharuka's business for the year ended 31.12.2023 was,
 1. Rs. 25,000 2. Rs. 27,000 3. Rs. 80,000 4. Rs. 107,000
38. The net profit of the business for the year ended 31.12.2023 was,
 1. Rs. 53,000 2. Rs. 107,000 3. Rs. 132,000 4. Rs. 185,000
39. The carrying value of non-current assets of the business as at 31.03.2023 was,
 1. Rs. 80,000 2. Rs. 720,000 3. Rs. 800,000 4. Rs. 880,000
40. The equity of the business as at 31.12.2023 was,
 1. Rs. 453,000 2. Rs. 500,000 3. Rs. 553,000 4. Rs. 795,000

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වර්ෂ අවසාන ඇගයීම - 2024 (2025) ஆண்டிறுதி மதிப்பீடு - 2024 (2025) Year End Evaluation - 2024 (2025)			
ශ්‍රේණිය தரம் Grade	11	විෂයය மாதம் Subject	Business & Accounting Studies
		පත්‍රය வினாத்தாள் Paper	II
		කාලය காலம் Time	2 Hours
නම பெயர் Name		විෂය අංකය சுட்டிலக்கம் Index No.	

Instructions.

- Including the first question, answer five questions selecting two questions from each part I and Part II.

1. Answer the question No. (i) to (x) by using the information in the given case as follows.

Keshari and Ishani have been good friends since their school time. They followed dress making diploma (one year) after their. Advanced Level examination. Since, the high demand for the kids wear garments in current market, they realized that starting of a kids wear business is more effective. On the 1st of January 2024, the business named as "KE Fashion House" was opened in Moratuwa town and the fashion store building was rented by them. Both have invested Rs. 300,000 each as capital and obtained Rs. 600,000 of bank loan at a rate of 10% per annum on the 1st January 2024. Two sewing machines were also purchased on the same day that the business was started. Further they opened a current account in the Peoples bank.

Following transactions are relevant for the month ending 31.01.2024

	Rs.
Purchase of fabric	120,000
Purchase of kids garments	80,000
Building rent	20,000
Thread other accessories	10,000
Machine operator's salary	30,000
Machinery Depreciation	5,000
Electricity	15,000
Watcher's salary	10,000
Sale of garments	390,000



No stock as at 31 January 2024.

- (i) (a) What is the human need was fulfilled by KE fashions?
- (b) Based on the objective, what is the type of business organization this entity belongs to?
- (ii) (a) Name two strengths of "KE fashion house"
- (b) Name two advantages of opening a current account by this business.
- (iii) (a) State two factors of production from above case and write an example related to each factor.
- (b) Name two stakeholders of this business.

- (iv) (a) Should the name "KE Fashion House" be registered? Give Reasons.
 (b) Under which Act that the KE fashion house should be registered?
- (v) (a) Write the accounting equation with values as at 31.01.2024.
 (b) When opening a current account by KE fashion house depositing Rs. 5,000 write the journal entry.
- (vi) (a) Write the double entry with values to record the bank loan interest to be paid by KE fashion house as at 31.01.2024.
 (b) Name the prime entry book and the source document which is related above double entry.
- (vii) What is cash balance as at 31.01.2024 of KE Fashion house?
- (viii) State prime cost and total production cost for January 2024 of KE fashion house separately.
- (ix) What is the Net profit for the month ended 31.01.2024 of KE fashion house.
- (x) Calculate total Assets and total liabilities as at 31.01.2024 of KE fashion house.

(2 × 10 = 20 marks)

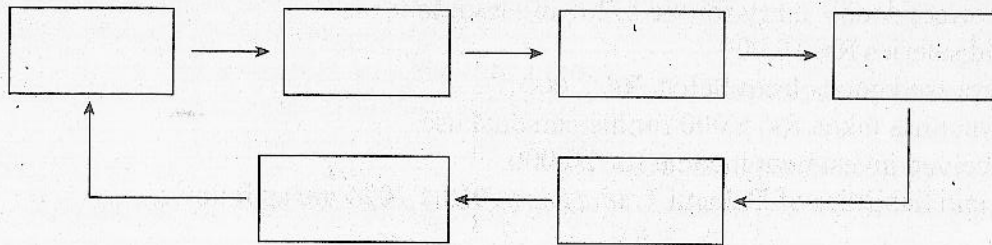
Part I Business Studies

• Answer only two questions.

2. (i) A business needs focus on different sub objectives in achieving its objectives. Name two sub objectives of a business. (2 marks)
- (ii) State whether the statements are true (v) or false (×).
 (a) All business organizations in private sector are profit oriented. ()
 (b) Earning profits is a sub objective of a business. ()
 (c) Needs cannot be created. ()
 (d) Businesses employing less than 25 employees according to companies Act No. 07 of 2007 are considered as small scale business. () (2 marks)
- (iii) Generating employment opportunities and social welfare are identified as the objectives of the stakeholders of the business.
 (a) Name stakeholders related to two objectives in above paragraph.
 (b) Write two examples for the ways of contribution provided by the owners of the business. (2 marks)
- (iv) It is very important to the development in economy of Sri Lanka is to have entrepreneurs rather than businessmen.
 (a) Define entrepreneurship
 (b) Name two characteristics of entrepreneurship, if you intend to become a good entrepreneur. (2 marks)
3. (i) Write two external environmental factors of a business. (2 marks)
- (ii) State whether the following statements are true (✓) or false (×)
 (a) Infrastructure development policy belongs to political environment. ()
 (b) Continuous decrease in general price levels of goods and services is inflation. ()
 (c) Domestic skilled workers migrating to foreign countries is a positive impact of globalization. ()
 (d) A large number of excess employees are working in departments lead to increase labour cost is known as a disadvantage of departments. () (2 marks)

- (iii) Shenaya holds a current account in Peoples Bank at Mirihana. Shenaya requested to get bank overdraft facility via telephone call to the manager. of Peoples Bank at Mirihana. Manager promise to approve overdraft facility after inspecting her current account as soon as possible.

Name relevant elements of communication process according to the facts in above mentioned case.



(2 marks)

- (iv) Development in roads system and transport system directly affected to the development of the country. There are number of perspectives in transportation system to be developed in Sri Lanka.

- (a) Classify the way as an element of transportation.
(b) Name two disadvantages of Railway transportation.

(2 marks)

4. (i) Define planning as a function in management process.

(2 marks)

- (ii) State whether the following statements are true (✓) or false (×)

- (a) Manager providing the required information and instructions to his employees is leading.

()

- (b) Any form in which a buyer and seller meets is considered as a market.

()

- (c) Advertising is a factor belongs to the promotion variable.

()

- (d) Treasury bills are the securities which issued to fulfill the long term financial needs of the government.

()

(2 marks)

- (iii) Madara group of companies a large scale business provides a higher amount for the marketing department when preparing the budget for 2024. Company expects to strengthen the advertising activities and goods and services to be introduced to customers in more attractive way.

- (a) Write an example for organizing as a function of management process.

(2 marks)

- (b) Name the activity belong to marketing in relation to above case.

- (iv) Mrs. Kalyani who is a government servant is expecting to retire in January 2025 after the service of 30 years. She decided to buy a house by using her retirement gratuity.

(2 marks)

- (a) Name the factors to be considered when selecting an investment method.

(8 total marks)

- (b) Write two returns of purchasing the property in above case.

Part II Accounting

Answer two questions only

- (i) Define "Expenses" (2 marks)
- (ii) Write correct double entry for the following transactions.
- (a) Paid salaries Rs. 10,000
 - (b) Purchased goods from Saliya Rs. 2,000
 - (c) Owner has taken Rs. 5,000 for his personal use.
 - (d) Received investment income Rs. 20,000 (2 marks)
- (iii) Assets and liabilities of Dahami Traders as at 01.01.2024 are as follows.

	Rs.
Machinery	300,000
Debtors	30,000
Inventory	120,000
Cash balance	140,000
Bank loan	50,000
Creditors	20,000

Following transactions were occurred during January 2024.

04.01.2024 Purchased stock on credit Rs. 15,000

09.01.2024 Cash received form debtors Rs. 5,000

21.01.2024 Credit sale of goods Rs. 12,000 and cost of the goods Rs. 8,000

30.01.2024 Repayment of bank loan Rs. 30,000

Trans- action	Assets				Equity	Liabilities	
	Machinery	Stock	Debtors	Cash		Bank Loan	Creditors
Balance B/F							

Required ;

- Show the effect of each of the above transaction on accounting equation stating with the opening balances. (Use the given format)
- Total balance of current assets as at 31.01.2024. (4 marks)

- (iv) Following transactions are occurred during March 2024 of Kavidu's business.

05.03.2024 - Sold goods to Pathum on credit Rs. 20,000 (Invoice No. 120)

10.03.2024 - A machinery which used by the business was sold on credit Rs. 50,000 (Journal voucher N.150)

22.03.2024 - Sold goods to Duminda Rs. 40,000 on credit (Invoice No. 155)

26.03.2024 - Sold goods on cash Rs. 30,000 (Receipt No. 160)

30.03.2024 - Sold goods to Asitha on credit Rs. 15,000 (Invoice No. 165)

Required ;

(a) Sales Journal

(b) Ledger accounts relevant for the transactions recorded in sales Journal for the month of March 2024 in Kavindu's business.

(4 marks)
(12 total marks)

Name two transactions to be entered in the other ledger account column of petty cash book. (2 marks)

Following are the petty cash transactions of Kamani's business which follows the petty cash imprest method.

	Rs.
01.01.2024 - Cash received from main cashier	
04.01.2024 - Carriage inwards	300
08.01.2024 - Bus fare	80
10.01.2024 - Refreshments	150
15.01.2024 - Registered post charges	120
18.01.2024 - A ₄ papers	250
20.01.2024 - Three wheeler charges	200
25.01.2024 - Pens and pencils	100
30.01.2024 - Stamps and envelopes	240
31.01.2024 - Cash in hand	560



Required,

Prepare petty cash book for January 2024 of Kamani's business and re-imbursment of the imprest. (Use Traveling, Postage, Stationery and Sundry expenses as analysis columns) (2 marks)

- (iii) Adjusted Bank account and the bank Reconciliation statement for January 2024 of Rasindu's business were maintained by an un-experienced accounts clerk.

Adjusted Bank Account

Date	Description	L/F	Amount (Rs.)	Date	Description	L/F	Amount (Rs.)
1/31	Balance B/F		84,000		Debtors remittances		5,000
	Bank charges		2,000		Standing orders		14,000
				1/31	Balance c/d		67,000
			86,000				86,000
2/1	Balance B/F		67,000				

Bank Reconciliation Statement

1/31	Adjusted bank balance	86,000
	add:-	
	Deposited but not realized cheques	14,000
		100,000
	Deduct:-	
	Issued but not presented cheques	35,000
1/31	Balance as per bank statement	65,000

Required

- Adjusted bank account as at 31.01.2024
 - Corrected bank reconciliation statement as at 31.01.2024
- (iv) The trial balance prepared in Himali's business was not tallied as at 31.12.2023 and the difference Rs. 8,000 was credited to suspense account. Reasons for the difference were identified by further investigation.
- Motor vehicle repair expense Rs. 6,000 was recorded correctly in cash book and to motor vehicle account was debited.
 - Cash sales of Rs. 3,300 was recorded in cash book correctly and was recorded sales account as Rs. 5,300.
 - A sale invoice value Rs. 4,000 was completely omitted from books.
 - Rent income received Rs. 5,000 was debited to cash book and it was debited to rent expense account too.

Required,

- Journal entries to rectify above errors.
- Suspense account after rectifying the errors.

(4 marks)
(12 total marks)

7. (i) Define "Bad debts" and write the correct Journal entry to record bad debts. (2 marks)
- (ii) Number of members of "Jayabima sports club" was 100. Monthly subscription of a member was Rs. 100. Receipts and payment account for the year ended 31.12.2023 was as follows.

Receipts and payments Account

Date	Description	L/F	Value (Rs)	Date	Description	L/F	Value (Rs)
1/1	Balance B/F		50,000		Purchase of sports equipments		20,000
	Subscription		10,000		Electricity expenses		5,000
	Donation receipts		30,000	12/31	Balance c/d		65,000
			90,000				90,000
1/1	Balance B/F		65,000				

Additional information

- Accrued electricity expenses Rs. 1000
- Sports equipments is to be depreciated at 10% per annum.

Required

- Prepare Income statement for the year ended 31.12.2023 of Jayabima sports club. (2 marks)
- (iii) Trial balance as at 31.12.2023 of Buddhika Attanayake's business is as follows.

	Dr. (Rs.)	Dr. (Rs.)
Sales		420,000
Purchases	150,000	
Land (at cost)	1,200,000	
Motor vehicles (at cost)	800,000	
Provision for depreciation of motor vehicle as at 01.01.2023		160,000
Debtors	50,000	
Creditors		35,000
Building rent	40,000	
Stock as at 01.01.2023	65,000	
Insurance expenses	3,000	
Loading expenses and carriage inwards	7,000	
10% Bank loan (01.07.2023)		200,000
Bank loan interest paid	8,000	
Advertising	15,000	
Salaries	25,000	
Carriage outwards	5,000	
Cash balance	55,000	
Drawings	12,000	
Capital		1,620,000
	<u>2,435,000</u>	<u>2,435,000</u>

Additional Information

- Stock as at 31.12.2023 was Rs. 16,000
- Annual rent expenses Rs. 60,000
- Motor vehicles should be depreciated at 10% per annum

Required

- (a) Profit or loss statement for the year ended 31.12.2023 (2 marks)
- (b) Statement of financial position as at 31.12.2023 of Buddhika Attanayake's business

(4 marks)
(12 total marks)