

06) Classification of business organizations and examples for the business organizations are given in columns X and Y respectively.

X	Y
A. Sole proprietorship	1. Params & Co.
B. Partnership	2. David Co. Ltd.
C. Co – operative	3. Kanapathy stores
D. Incorporated company	4. Fishermens' Co – operative society

Select the answer when the columns X are matched with columns Y respectively.

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

07) The example for the business organization commenced by the Act of Parliament.

- 1) Silva & Brothers 2) Dialog Company PLC
3) State Pharmaceutical Corporation 4) Pandatharippu M.P.C.S. Ltd.

08) Which of the following activities refer to the retail businesses?

- A- Uthaya purchased 5kg of cakes for her birthday celebration.
B- Kuberan, a businessman selling building materials purchased cement bags for his business.
C- Shankar distributed eggs from his poultry farm to Kumaran Stores in the neighbouring area.
D- Suguna purchased cloths necessary to sew her daughter's wedding dress.

- 1) A and C 2) B and C 3) A and D 4) C and D

09) Which of the following statements is correct in relation to electronic money?

- 1) It is required to have a bank account to obtain a debit card.
2) Goods and services can be purchased using debit cards up to the cash balance available in the bank account.
3) When the payments for a credit card are delayed a penalty for delayed payments will not be charged.
4) It is not possible to withdraw cash in the account from the ATM machines using the credit cards.

10) Which of the following statements is not correct with regard to cheque?

- 1) Crossed cheque should be deposited to a bank account in order to obtain the money.
2) It is not necessary to endorse the crossed cheques.
3) Crossed cheques cannot be encashed over the counter of a bank.
4) Endorsing a cheque ensures that a person has the true title for that cheque.

11) The insurance policy that is obtained to cover the safety of consumers is

- 1) Social welfare insurance policy. 2) Fire insurance.
3) Liability insurance for finished products. 4) Goods in transit insurance.

20) Select the correct statement according to the double entry system

- 1) Income increases debit, income decreases credit.
- 2) Asset increases credit, asset decreases debit.
- 3) Equity increases credit, Equity decreases debit.
- 4) Expense increases credit, expense decreases debit.

❖ Answer the questions No. 21 and No. 22. Using the table given below.

Transactions		Source document	
1.	Purchasing motor vehicle of Rs. 50,000 for the use of distribution on a credit basis.	A.	Payment voucher
2.	Credit sale to Kumaran Rs. 7500	B.	Purchase invoice
3.	Paying electricity charges Rs. 1000	C.	Sale invoice
4.	Credit purchases Rs. 10,000	D.	Journal voucher

21) Select the answer when source documents are matched in the order of transactions given above.

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

22) Select the answer that shows prime entry books used to record the above transactions in correct order.

- 1) General Journal, Cash book, Purchases Journal, Sales Journal
- 2) Purchases Journal, Sales Journal, General Journal, Cash book
- 3) Purchases Journal, Cash book, General Journal, Sales Journal
- 4) General Journal, Sales Journal, Cash book, Purchases Journal

23) Select the transaction that is recorded in General journal.

- 1) Purchasing furniture of Rs. 5000 for the use of business.
- 2) Paying electricity charges of Rs. 1500.
- 3) Writing off Rs. 900 as bad debt that should be received from a debtor.
- 4) Withdrawal of cash Rs. 2000 by the owner for personal use.

24) The following are the double entries of a transaction occurred in a business.

Cash account	Dr.	Rs. 7400
Discount allowed account	Dr.	Rs. 1600
Vithushan account	Cr.	Rs. 9000

The discount of Rs. 1600 of this transaction is deducted when

- 1) Selling a stock of goods for Rs. 9000.
- 2) Paying a creditor of Rs. 9000.
- 3) Purchasing a stock of goods of Rs. 9000
- 4) Receiving cash from a debtor of Rs. 9000.

- 31) The account balance of Kabilan's business as at 31st May 2021 was Rs. 13400. The bank statement had a different balance. The following were the reasons for this difference.
- A- Cheques issued but not presented for the payments Rs. 13500.
 B- Bank paid a rent of Rs. 3000 on a standing order.
 C- Bank remitted dividend of Rs. 1500 on behalf of the business.
- What would be the balance as per the bank statement?
- 1) Rs. 11,900 2) Rs. 25,400 3) Rs. 26,900 4) Rs. 14,900

- 32) Select the error which should be a reason for a suspense account to appear in the credit side of the trial balance.
- 1) The balance of capital account of Rs. 50,000 has not been extracted to the trial balance.
 2) Discount received of Rs. 3,000 has been recorded in the books of accounts as Rs. 300.
 3) The balance of furniture account of Rs. 10,000 has not been extracted to the trial balance.
 4) Insurance premium paid of Rs. 900 has been recorded as Rs. 90.

- 33) Following is a double entry in the General Journal of a business to rectify an error.

Description	Dr. (Rs)	Cr. (Rs)
Electricity A/C	6,000	
Suspense A/C		6,000

The accounting error occurred is that

- 1) accrued electricity of Rs. 6,000 has not been adjusted.
 2) the balance of electricity account Rs. 6,000 has not been extracted to the trial balance.
 3) paid electricity bill of Rs. 3,000 has been recorded in the wrong side of the electricity account.
 4) paid electricity bill of Rs. 5,000 has been recorded in the debit side of the electricity account.
- 34) Bhanu's business invested Rs. 60,000 which he earned additionally from the business, in a fixed deposit on 01.05.2020 in the National Savings Bank at 10% annual interest rate. The annual interest is to be received on 30.04.2021.
- Accounting to the financial statements of this business prepared for the year ended 31.12.2021,
- 1) accrued income in the statement of financial position is Rs. 2000.
 2) interest income in the income statement is Rs. 6,000
 3) interest income receivable in the statement of financial position is Rs. 6,000
 4) interest income received in the income statement is Rs. 4,000.

35) Kunal's business purchased a machine for Rs. 500,00 on 01.01.2019. The effective life period of the machine is 10 years. At the end of the life period, the scrap value of the machine is Rs. 50,000. The net value of the machine shown in the statement of financial position of the business prepared as at 31.12.2020 is

- 1) Rs. 410, 000. 2) Rs. 360,000. 3) Rs. 450,000. 4) Rs. 400,000.

❖ **Answer questions No. 36 to 40 using the following information.**

The following are some balances extracted from the trial balance of Princy's business as at 31.12.2020.

	Rs.
Sales	700,000
Purchases	375,000
Motor vehicle (at cost)	200,000
Debtors	45,000
Creditors	30,000
Stock as at 01.01.2020	25,000
Carriage inwards	2,000
Electricity	10,000
Advertisement	18,000
10% Bank loan	500,000
Rent income received	6,000
Capital as at 01.01.2020	600,000
Bank overdraft	15,000
Salary & wages	12,000
Drawings.	11,000

Additional information :-

1. Stock as at 31.12.2020 Rs. 42,000
2. Accrued electricity as at 31.12.2020 Rs. 15,000
3. Motor vehicle should be depreciated at 10% annually on a straight line method.

36) Cost of sales of Princy's business for the year ended 31.12.2020 is

- 1) Rs. 340,000. 2) Rs. 360,000. 3) Rs. 402,000. 4) Rs. 400,000.

37) Net profit of Princy's business for the year ended 31.12.2020 is

- 1) Rs. 271,000. 2) Rs. 241,000. 3) Rs. 346,000. 4) Rs. 221,000.

38) The amounts of distribution expenses and administration expenses of Princy's business for the year ended 31.12.2020 respectively.

- 1) Rs. 38,000, Rs. 50,000 2) Rs. 37,000, Rs. 50,000
3) Rs. 37,000, Rs. 38,000 4) Rs. 38,000, Rs. 37,000

39) The amounts of total current liabilities of Princy's business as at 31.12.2020 is

- 1) Rs. 95,000. 2) Rs. 60,000. 3) Rs. 110,000. 4) Rs. 80,000.

40) The equity of Princy's business as at 31.12.2020 is

- 1) Rs. 821,000. 2) Rs. 810,000. 3) Rs. 589,000. 4) Rs. 789,000.



Provincial Department of Education
Northern Province
Diagnostic Test - 2021



Grade :- 11

Business and
Accounting Studies II

- ❖ Including questions No. 1, answer questions selecting two questions from each of the parts I and II.
- ❖ Write your answers in neat handwriting.

Using the following case, answer the questions (1) – (10).

01. 1 to 10 Kesavan who had worked at a child care center for more than 10 years in a foreign country wanted to serve in his own country after the death of his son. He has seen many parents struggling to look after their children as they go to work in this job world.

After observing that, Kesavan started a business named as “Poongunran Child Care House” on 01.04.2020 in memory of his son. He invested Rs. 1,500,000 cash earned by him in foreign and his building valued Rs 2,500,000. He employed 05 employees and the parents of the children are very happy about the child care house as it is located close to the district secretariat, bank and school.

60 Children are looked after in Poongunran Child Care House and Rs. 800 per child is charged. Transactions are done by cash, cheque and electronic money.

The following transactions were occurred for the month of April, 2020

01.04.2020 Purchased sports equipment.	Rs 80,000
02.04.2020 Purchased musical instruments	Rs 55,000
05.04.2020 Bought cleaning items	Rs 23,000
07.04.2020 Purchased food stuff	Rs 41,000
07.04.2020 Opened a current account in the Bank of Ceylon	Rs 70,000
08.04.2020 Paid salaries to employees	Rs 75,000
10.04.2020 Received child care charges	Rs 40,000

Sports equipment should be depreciated at 6% annually.

- 1) a) Classify the business organization “Poongunran Child Care House” based on the nature of the products.
b) What type does it belong to base on the ownership?
- 2) Write strength and an opportunity of this business.
- 3) State two factors of production and examples for each of them included in the above case.

- 4) State two internal environmental factors and two external environmental factors implied in this case.
- 5) a) When does the financial year (Accounting period) of this business end?
b) Calculate the amount of capital as at 01.04.2020.
- 6) Write the dual impact and the double entries for opening the current account.
- 7) Prepare the cash account for the month of April, 2020 and calculate cash balance
- 8) Calculate the depreciation of sports equipment and write the double entries of them.
- 9) Write two current assets found at the end of April, 2020 and the Value of them.
- 10) Calculate the profit or loss for the month of April, 2020

(10x2=20 Marks)

Part I
Business Studies
(Answer two questions only)

01. 1) a) What is business? (01 Mark)
b) What are the common objectives of business? (01 Mark)
- 2) State whether the following statements are true or false.
 - a) Obtaining quality products at a reasonable price is the objective of customers.
 - b) Providing transportation facilities, accommodation facilities and insurance services are the employee welfares.
 - c) Needs can be created by the business men.
 - d) Services are the activities which are rendered by a business in order to fulfill needs and wants of customers. (02 Marks)
- 3) Subashini involves in making flower garlands and provides them to temples and functions. She purchased the flowers required for making garlands from Malaravan's business in Colombo and employed two assistants to support her works.
 - a) State the stakeholders mentioned in the above case.
 - b) State the reasons why the above (3.a) said stake holders are interested. (02 Marks)
- 4) Name of some businesses are given below.
 - a) Nurses Training College
 - b) Alan Dental Clinic
 - c) Sugi Bride Make up Centre
 - d) Children's Park

State the needs fulfilled by the above businesses. (02 Marks)

(Total 08 Marks)

03. 1) a) What is trade?
b) Write two characteristics of wholesale trade. (02 Marks)
- 2) State whether the following statements are true or false.
a) Commercial bank is the drawer related to cheque.
b) Reaction is the reply which receiver sends to sender after receiving the message.
c) Distributing milk to the nearest school canteen by Karan, a milk producer is a wholesale trade.
d) Road transportation is the transportation way which can be used up to the destination. (02 Marks)
- 3) A large quantity of tea was exported from Sri Lanka Port to the European countries by cargo ships which was halted to fill diesel in Dubai.
Write the elements of transportation and examples for each of them implied in the above case. (02 Marks)
- 4) a) State two types of property insurance policies
b) Write two difference between life insurance and property insurance. (02 Marks)
(Total 08 Marks)
04. 1) a) State what is management?
b) State which function of management is referred by the following activities.
1) The business has decided to change its Vision.
2) Employees who worked excellently were honoured and rewarded by the chairman of the business organization. (02 Marks)
- 2) State whether the following statements are true or false.
a) Organizing is the process of distributing required resources, job roles and tasks in order to implement the planned activities to achieve the objectives of a business.
b) Effectiveness means using resources to achieve the expected objectives.
c) Price is the only variable in the marketing mix that generate income for the business
d) Any form in which a buyer and a seller meet is considered as a market. (02 Marks)
- 3) State which marketing Mix is referred by the following instruments.
a) Packaging
b) Sales promotion
c) Selling by retail trader
d) Giving discount (02 Marks)
- 4) 1) Identify and state the target market for the following products.
a) Non Fat milk powder
b) Cartoon story books
2) State two middlemen in the market. (02 Marks)
(Total 08 Marks)

Part II (B)

Accounting

(Answer two questions only)

05.1) State the appropriate type of ledger accounts for the following account balances, Sales account, Purchases account, Drawings account, Accrued expenses account.

(02 Marks)

2) Kugan started a business on 01.01.2020 investing Rs. 2,000,000. On the same day, bank loan Rs.75.000, Drawings Rs. 10.000 How much is the capital? How much is the liability?

(02 Marks)

3) Some transactions of Karnan's business which occurred for the month of march, 2020 are shown in the following accounting equation.

Date	Transactions	Assets	= Equity	+ Liabilities
08.03.2020	A	Cash + 200000	= Capital	
			+ 200,000	
10.03.2020	B	Stock + 35,000	=	Creditors + 35,000
11.03.2020	C	Cash + 40,000	= Sales	
			+ 40,000	
13.03.2020	D	Cash – 5000	= Rent	
			- 5000	
16.03.2020	E	Cash – 20,000		
		Furniture + 20,000		
18.03.2020	F	Motor + 180,000	= Capital	
			+ 180,000	

a) Identify the transactions A,B,C,D,E,F and write them in correct order

b) What is the transaction that affects only assets.

(04 Marks)

4) The following were the transactions occurred for the month of January 2020 in the business of Seran.

Date	Transactions	
01.01.2020	Cash balance	Rs. 90,000
04.01.2020	Credit sales (Nimal)	Rs. 25,000
05.01.2020	Credit purchases (Theeba)	Rs. 18,000
09.01.2020	Sales	Rs. 55,000
11.01.2020	Purchases	Rs. 21,000
14.01.2020	Cash received from Nimal	R. 19,500
	Discount	Rs. 500
17.01.2020	Cash paid to Theeba	Rs. 17,000
	Discount	Rs. 1000

Prepare the cash book with discount Column and calculate the cash balance as at 31.01.2020
(04 Marks)

(Total 12 Marks)

06. 1) a) What is reimbursement of imprest? (01 Mark)
 b) State 02 accounting errors not affecting the agreement of trial balance. (01 Mark)
- 2) The following are the General Journal and the Suspense account prepared for the Corrections.

General Journal

Date	Voucher No.	Description	L.F	Dr.	Cr.
		Suspense account		9000	
		Sales account (A)			9000
		B (The correction of recording Rs. 55,000 of office equipment which was erroneously recorded in the purchase account)		55,000	55,000
		C (Correction of the error for not extracting the electricity account balance to the trial balance)			7000

Suspense A/C

Date	Description	L.F	Amount	Date	Description	L.F	Amount
	D		7000		E		7,000

- a) Complete the blanks which denote A,B,C,D and E
 b) What is the suspense account balance in the trial balance Prepared as at 31.12.2020?
 (04 Marks)

3) A) State the source documents for the following transactions.

a) Receiving interest income Rs. 12,000

b) Purchasing a cupboard worth of Rs. 80,000 from Abans Company in a textiles business. (02 Marks)

B) The favourable balance of the bank account of Siriram's business as at 31.12.2020 was Rs. 39,000. But the balance of the bank statement received on that day did not match with the balance of bank account. The following were the reasons for the difference.

1) Cheques not presented to the bank for the payments.

2) Cheques deposited but not realized during the month is Rs. 4000.

3) Investment income directly remitted to the bank is Rs. 5000.

4) Bank charges but not recorded in the bank account of the business is Rs. 1200.

5) Cheque book fee charged by the bank but not recorded in the bank account of the business is Rs 500.

Required :-

1) Adjusted bank account

2) Prepare the bank reconciliation statement from the adjusted bank account.

(04 Marks)

(Total 12 Marks)

07. 1) Accounting year of Tharun's business ends on 31.12.2020. Two transactions of the business to be adjusted for the accounting period are given below.

A - Rs. 12,000 was only received from the fixed deposit interest income receivable of Rs. 20,000

B - Rs. 4000 was only paid to the electricity payable of Rs. 6000.

a) Calculate the correct value of the above transactions and complete the following table.

Transactions	Amount received or paid in Cash	Accrued Income / Expense	Income/ Expense for the year
A			
B			

(02 Marks)

b) Complete the following table with correct values of the double entries to the above adjustments

Transactions	Account to be debited	Account to be Credited
A		
B		

(02 Marks)

2) Trial balance of Mathusan's business for the year ended 31.12.2020

Description	Dr (Rs)	Cr (Rs)
Stock as at 01.01.2020	18,000	
Purchases	120,000	
Sales		390,000
Carriage inwards	4,000	
Debtors	34,000	
Creditors		41,000
Investment	100,000	
Investment income		5,000
Electricity	23,000	
Cash balance	37,000	
Capital		320,000
Discount allowed	1,600	
Discount received		2,300
Distribution Vehicle (Purchased on 01.01.2020)	500,000	
Advertisement	3,800	
8% Bank loan		100,000
Insurance	2,400	
Bank Balance	14,500	
	858,300	858,300

Additional information:

- 1) Stock valued as at 31.12.2020 Rs. 34,000.
- 2) Rs. 2000 was written off as bad debts from the debtors as at 31.12.2020
- 3) Distribution vehicle should be depreciated annually at 10% on straight line method.

Required

- a) Profit or Loss statement for the year ended 31.12.200 (04 Marks)
- b) Statement of Financial Position as at 31.12.200 (04 Marks)

(Total 12 Mark)



Follow and Get papers Daily ..!



எங்கள் குறிக்கோள்

எண்ணிம உலகத்தில் மாணவர்களிற்கென சிறந்ததொரு கற்றல் கட்டமைப்பை உருவாக்குதல்.

அனைத்தும் டிஜிட்டல் மயப்படுத்தப்பட்ட இந்த காலத்தில் பல்வேறு துறைகளும் கால ஓட்டத்துடன் இணைந்து டிஜிட்டல் தளத்தில் பல்கிப்பெருகி வருகின்றன. அந்த வகையில் கல்வித்துறையும் இதற்கு விதிவிலக்கல்ல. இணையவழி கல்வியின் மூலம் கல்வித்துறை புதியதொரு பரிமாணத்தை எட்டியுள்ளது. குறிப்பாக கொரோனா பேரிடர் காலத்தில் நாடே முடக்கப்பட்டிருந்தது. இதனால் மாணவர்களிற்கும் பாடசாலை, கல்வி நிறுவனங்களிற்கு இடையிலான தொடர்பு துண்டிக்கப்பட்டது. அந்த இக்கட்டான சூழ்நிலையில் இணையவழி வகுப்புகள் மாணவர்களிற்கு வரப்பிரசாதமாக அமைந்தது என்பதே உண்மை.

இன்று தொழில்நுட்பம் மாணவர்களை தவறான பாதைக்கு இட்டு செல்வதாக ஓர் எண்ண ஓட்டம் மக்கள் மத்தியில் உள்ளது. தொழில்நுட்பம் என்பது ஒரு கருவி மட்டுமே அதை எவ்வாறு பயன்படுத்துகிறோம் என்பதில் அதன் ஆக்க மற்றும் அழிவு விளைவுகள் தீர்மானிக்கப்படுகிறது. உளியை கொண்டு சிலையை செதுக்க நினைத்தால் அவன் நிச்சயம் சிற்பி ஆகலாம். இங்கு பிரச்சினையாக காணப்படுவது மாணவர்களை வழிப்படுத்த தொழில்நுட்ப உலகில் ஓர் முறையான கட்டமைப்பு இல்லாமையே. அதை உருவாக்குவதே எங்கள் நோக்கம். அதை நோக்கியே எங்கள் பயணம் அமையும்.

எமது இணையத்தினூடக ஊடக உங்களிற்கு தேவையான பரீட்சை வினாத்தாள்களை இலகுவான முறையில் தரவிறக்கம் செய்து கொள்ளமுடியும்.

kalvi.lk

கல்வி சார் செய்திகளை உடனுக்குடன் அறிந்து கொள்ள எமது சமூக ஊடக தளங்களின் ஊடக உடனுக்குடன் அறிந்து கொள்ள முடியும்.

