

- (5) An objective which customers expecting from a business
- (i) Future improvement of the business (iii) Getting a fair salary
(ii) Taking orders continuously (iv) Buying goods at a reasonable price
- (6) Which answer set includes only the internal environmental factors of a business
- (i) Managers , Customers , Suppliers (iii) Employees , Managers , Suppliers
(ii) Owners , Managers , Employees (iv) Owners , Customers , Employees
- (7) Sri Lankan government is going to sign a new project on developing infrastructure facilities. What is the business environment of this scenario?
- (i) Economic Environment (iii) Political Environment
(ii) Legal Environment (iv) Global Environment
- (8) Select the answer which consists only economical environmental factors of a business.
- (i) Income distribution , Inflation , Interest rate
(ii) Income distribution , Laws and regulations , Level of Employment
(iii) Savings , Age structure , Rate of unemployment
(iv) Foreign exchange rate , Technology , interest rate
- (9) The rules and regulations enacted by the government belongs to.
- (i) Political environment (iii) Global environment
(ii) Micro environment (iv) Legal environment
- (10) The mutual relationship among countries in terms of economic, social and cultural dimensions is known as,
- (i) International integrity (iii) International relations
(ii) Globalization (iv) Electronic commerce
- (11) Having talented managers and well trained employees is a for business.
- (i) Opportunity (iii) Advantage
(ii) Strength (iv) Threat
- (12) Which answer contains a strength and opportunity respectively we can identify by studying business environment.
- (i) Having adequate capital and a brand name.
(ii) Experience of managers and emerging new competitors.
(iii) Specialized knowledge and dedication of employees and the emerging of port city.
(iv) Specialized production methods and having a brand name.
- (13) In below table column 'X' represents the type of business organization and column 'Y' represents the benefits.

X	Y
A. Corporative societies	1. Maximum use of own talents.
B. Sole proprietorship	2. Can raise a huge capital.
C. Incorporated companies	3. Reducing the monopoly of private sector.
D. State corporations	4. Shared economic benefits.

- (21) The amount of assets available to the owner of the business,
- | | |
|---------------------------|--------------|
| (i) Business transactions | (iii) Equity |
| (ii) Liabilities | (iv) Assets |
- (22) Which answer consists Non current assets of a business?
- Motor vehicles, Furniture Machinery, Buildings
 - Land, Machinery, Motor vehicles, Stock
 - Machinery, Furniture, Creditors, Motor vehicles
 - Debtors, Furniture, Motor vehicles, Machinery
- (23) The profit of a business can be calculated by,
- | | |
|---|-------------------------|
| (i) Assets – Liabilities | (iii) Income – Expenses |
| (ii) Current assets – Current liabilities | (iv) Sales- Expenses |
- (24) Which answer contains the accounting equation?
- | | |
|--------------------------------|--------------------------------------|
| (i) Equity = Assets – Expenses | (iii) Assets = Equity + Liabilities |
| (ii) Assets = Equity – Capital | (iv) Liabilities = Income – Expenses |
- (25) What is the transactions that shows an increase in assets and increase in liabilities affect to the accounting equation.
- Paying back the bank loan of Rs. 50000
 - Receive cash of Rs. 12500 from debtors.
 - Buying Rs. 30000 of stock on credit basis.
 - Payment of employee salaries Rs. 15000

- (26) The values of the accounting equation of a certain business were as follows on 01-01-2022

$$\begin{aligned} \text{Assets} &= \text{Equity} + \text{Liabilities} \\ 200,000 &= 150\,000 + 50\,000 \text{ (bank loan)} \end{aligned}$$

Which should be the values of accounting equation when paying back the bank loan amount of Rs. 25000

	Assets	=	Equity	+	Liabilities
(i)	150000	=	150000	+	100000
(ii)	175000	=	150000	+	25000
(iii)	225000	=	100000	+	125000
(iv)	175000	=	25000	+	150000

- (27) A transactions which shows an increase in assets and a decrease in assets,
- Payment of employee salaries Rs. 5000
 - Buying a machine which costs Rs. 7500 on credit basis.
 - Buying furnitures for Rs. 8000
 - Receiving rent income of Rs. 3000
- (28) A transaction in Sineth's business affects the accounting equation as increase in equity and decrease in liabilities. What is the transaction match with it?
- Sineth invested Rs. 50000 as an additional capital.
 - Paying Rs. 60000 to creditors from the current capital.
 - Paying Rs. 6000 to creditors by Sineth from his private cash.
 - Taking Rs. 100000 of business money for use of private.

- (29) Which item is not affecting to the changes in equity.
- (i) Income (iii) Bank loan
(ii) Drawings (iv) Additional Capital
- (30) The salary account of a business is A and sales account is B. Which answer contains the appropriate answers to fill A and B respectively.
- (i) Income and expenses (iii) Assets and liabilities
(ii) Equity and expenses (iv) Expenses and income
- (31) The all ledger accounts are consist in,
- (i) Ledger (iii) Bank account
(ii) Bank statement (iv) Prime entry book
- (32) What is the double entry of “Buying goods of Rs. 75000 in cash”?
- (i) Cash account debit, purchase account credit.
(ii) Purchase account debit, cash account credit.
(iii) Cash account debit, stock account credit.
(iv) Stock account debit, creditors account credit.

- (33) Column A consists of prime entry books and column B consists of related source document.

A	B
1. Cash book	P- Purchase invoice
2. Bank account	Q- Journal voucher
3. Purchase journal	R- Deposit receipt
4. General journal	S- receipts, payment, vouchers

Which answer matches A with B correctly?

- (i) RSPQ (ii) SRPQ (iii) RPQS (iv) SRQP
- (34) If someone wants to know the information related to a transaction perfectly, he should check;
- (i) The ledger (iii) Prime entry books
(ii) Ledger accounts (iv) Source documents
- (35) If the debit side of an account is greater than the credit side, the balance is a,
- (i) Debit balance (iii) Carried down balance
(ii) Credit balance (iv) Bring forward balance
- (36) A discount of 5% was given on receiving a loan amount of Rs. 80000 from Chamara; a debtor of Kosala’s business. This transaction in Kosala’s business,
- (i) A discount given of Rs. 4000
(ii) A discount received of Rs. 4000
(iii) A discount given Rs. 8000
(iv) A discount received of Rs. 8000

- (37) What is the correct double entry for discounts given in a business?
- (i) Discount given A/C dr (iii) Cash A/C dr
Creditors A/C cr Discount given A/C cr
(ii) Discount given A/C dr (iv) Discount given A/C dr
Cash book cr Debtors A/C cr

- (38) The type of discounts which is not recording in accounts, but recording in source documents
- (i) Cash discounts
 - (ii) Discounts given
 - (iii) Discounts received
 - (iv) Trade discounts
- (39) Which of the following transactions recorded in the ledger account column in the petty cash book
- (i) Paying Rs. 200 to Silva
 - (ii) Paying travelling expenses Rs. 100
 - (iii) Paying Rs. 400 for stationaries
 - (iv) Paying Rs. 150 for postal chargers
- (40) The petty cash value of Lasith's business is Rs. 3000. In month of March Rs. 2800 has been spent. As the petty cash imprest is not sufficient it is decided to increase up to Rs. 4000 and reimbursed on 31st of March. What is the value of reimbursement?
- (i) Rs. 200
 - (ii) Rs. 4200
 - (iii) Rs. 4000
 - (iv) Rs. 3800



Minuwangoda Educational Zone

Second Term Test - 2023

Grade 10

Commerce

Time : 2 Hours

Part II

- Including question No 1 answer five questions selecting two questions from each of the parts I and II.

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

Kasun, a graduate of University of Colombo and his sister Chamari, invested Rs. 150000 each and started a business to sell indigenous medicine on 01. 01. 2022. The name of the business is “Harithalatha Hela Osu”. They rented a building near a government ayurvedic hospital to commence the business. They obtained a long term loan from BOC on same day. Below transactions occurred during the month of January.

	Rs.
To buy medicine	425000
Electricity expenses	3500
Rent	6500
Income received by selling medicine	475000

- (a) What is the type of business organization this business belongs to?
(b) Write one advantage of the business organization type that “Harithalatha Hela Osu” belongs to?
- Write one business organization belongs to government sector mentioned in above scenario.
- (a) Should “Harithalatha Hela Osu” name be registered?
(b) Give reasons to your answer.
- (a) Write a strength of the business “Harithlatha Hela Osu”
(b) Write an opportunity of this business.
- (a) Name a prime entry book that this business should prepare.
(b) Write an example for a liability of this business.
- State the accounting equation with values of this business as at 1st of January 2022.
- Write the double entry of investing capital to the business.
- Write the double entry of obtaining the bank loan.
- Write one item should be included in income accounts and one item should be included in expense accounts of this business.
- Calculate the cash balance of this business as at 31. 01. 2022

(2 × 10 = 20 marks)

Part I – Business Studies

- (2)
- (a) Write 02 parties who expect benefits from business.
(b) “The different ways of satisfying human needs can be identified as human wants. Human wants are increasing day by day in current society”.
Mention 2 basic human needs and two wants to fulfill those needs. (2 marks)

- (ii) State whether true or false.
- (a) Maximizing consumer satisfaction is a sub objective of a business. ()
- (b) Human needs are limited. ()
- (c) Machinery and equipment used in production is an example for land. ()
- (d) Job security is an objective of employees. () (2 marks)
- (iii) Below are some production resources used by “Saman Arts”; a business of artistic rattan products.
- Cash
 - Creativity of the owner
 - Helpers
 - Raw rattan
- (a) Categorize above resources into factors of productions; Land, Labour, Capital & entrepreneurship
- (b) Define what is entrepreneurship. (2 marks)
- (iv) Kumudesh is conducting a business of producing and selling “Banana juice” with the help of few employees. He is buying bananas from the farmers of the area.
- (a). Name 02 stakeholders except Kumudesh?
- (b). Give one example for the objectives each stake holder you mentioned in the answer iv (a) (2 marks)
- (Total – 8)

(3)

- (i) (a) What is the internal environment of a business?
- (b) Give an example for the changes in businesses due to technological changes. (2 marks)
- (ii) State whether true or false.
- (a) Business environment can be divided into two ()
- (b) Employees are an internal environmental factor ()
- (c) Savings are the proportion of income which people keep without spending on consumption. ()
- (d) Natural disasters can be regarded as a weakness of a business () (2 marks)
- (iii) Rohini worked as a nursing officer at a government ayurvedic hospital. After the retirement she is conducting a business of selling herbal drinks near a railway station in an urban area.
- (a) Name a strength of above business.
- (b) Fill in the blanks of below statements.
- We can identify and of a business by studying external environment of that business.
- (iv) (a) Write a favorable impact of global environment on local business.
- (b) Mention an unfavorable impact of global environment to the Sri Lankan business. (2 marks)
- (Total 8 marks)

(4)

- (i) Various business organizations have emerged to fulfill human needs and wants. These business organizations can be categorized based on several criterias.
- (a) Draw the flow chart of categorizing businesses based on scale.
- (b) Write two quantitative factors of deciding the scale of the business. (2 marks)
- (ii) State whether true or false.
- (a) Business organizations can be divided into two based on the ownership. ()
- (b) There will be a limited liability to the partners of a partnership business. ()
- (c) Every state corporation fully owned by the government. ()
- (d) A proportion of the profits earned by a state corporation will be credited to the consolidated fund of the government. ()

- (iii) (a) What are the two ways of commencing state corporations?
 (b) Write 2 characteristics of a state department. (2 marks)
- (iv) Below are the some business organizations operating in Sri Lanka. Fill below table regarding them. First one is done for you.

	Business	Type of business organization	Ownership
a.	Gagana Traders	A. Sole proprietorship	F. Private sector
b.	Litro gas Limited company	B.	G.
c.	Perera and brothers	C.	H.
d.	Ceylon Electricity board	D.	I.
e.	Multi purpose co-oprative society Ja-Ela	E.	J.

(2 marks)
 (Total marks 8)

Part II – Accounting

- Answer only two questions.

(5)

- (i) (a) Write 2 objectives of Accounting.
 (b) Write 2 events / incidents we regarded as a transaction in accounting. (2 marks)
- (ii) (a) What are the current liabilities.
 (b) Write 2 examples for income in a business. (2 marks)
- (iii) Below table shows how several transactions of a business affected to accounting equation.

	Assets	Equity	Liability
a.	Cash + 800000	Capital + 800000	–
b.	stock + 20000	–	Creditors + 20000
d.	Cash - 6000	Telephone changes - 6000	–
	Cash - 100000 Stock + 100000	–	–

Describe the each transaction with values. (4 marks)

- (iv) (a) Write two occasions where equity can be changed.
 (b) Below are some information of Sarath's business for the year 2022.

	Rs.
Capital (on 01. 01. 2022)	450000
Expenses of the year	225000
Income of the year	150000
Additional capital on 31 st of July.	125000

- * Calculate the equity as at, 31st December 2022.

(6)

- (i) (a) Write two uses of prime entry books.
(b) Write two information including in source documents. (2 m.)
- (ii) What is the dual function of cash book? (2 m.)
- (iii) Below are some transactions of a business.

- A – Owner invested capital of Rs. 100000
B – Buying a stock of Rs. 30000 on credit basis
C – Obtain a bank loan at Rs. 50000
D – Sell goods of Rs. 80000 on credit basis.

By using below format state the source document and the prime entry book of above transactions.

Transaction	Source document	Prime entry book
A		
B		
C		
D		

- (iv) Below are the cash transactions of Dhanuka's business for the month of January 2022.

Date 2022	Receipt no.	Voucher no.	Description
01.01	01	-	Commencing the business by investing Rs. 75000
01.02	-	01	Buying goods of Rs. 25000
01.04	02	-	Selling goods for Rs. 20000
01.06	-	02	Paying building rent of the business Rs. 30000
01.08	03	-	Receive commission income of Rs.10000
01.13	04		Obtain a bank loan of Rs. 50000
01.15	-	03	Buying equipment for business for Rs. 8000
01.25	-	04	Payment of installment of bank loan Rs. 5000

Enter the above transactions into the cash book and balance the cash book for 31st of Jan. 2002
(4 marks)
(Total 12 marks)

(7)

- (i) (a) What is meant by "discounts"
(b) What are the two types of cash discounts?
- (ii) (a) The marked price of an item purchased is Rs. 60000. The trade discount deducted for the item is 15%. What is the net value of the item after deducting the discount?
(b) Write the double entry for discount received.
- (2 marks)

Below information has presented by the petty cash holder of Livera's business for the month of Feb 2022.

- Petty cash imprest Rs. 3000
- Total payment for petty cash expenses for the month of January 2022 is Rs. 2600.
- Petty cash expenses for the month of February 2022 as follows.

Date	Voucher no:	Description	Amount Rs.
02. 02. 2022	01.	Travelling expenses	150
06. 02 2022	02.	Salary advance paid for Duminda	600
18. 02. 2022	03.	Cleaning expenses	200
14. 02. 2022	04.	Bought pens & pencils	180
18. 02. 2022	05.	For soft drinks	300
23. 02. 2022	06.	Bought A4 papers	250
25. 02. 2022	07.	Bus fare	80
28. 02. 2022	08.	Bought a cake	280

Required-

- (a) Prepare a petty cash book that is based on imprest system by using Travelling, refreshment, miscellaneous and other as analyzing columns. (2 marks)
- (b) Copy the total of the analyzing columns to the ledger accounts. (2 marks)
- (Total 12 marks)