

OL/2023(2024)/60-E-I, II

සියලු ම හිමිකම් ඇවිරිණි / முழுப் பதிப்புரிமையுடையது / All Rights Reserved

ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව  
 இலங்கைப் பரீட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம்  
 Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka  
 ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව  
 இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரīட்சைத் திணைக்களம் இலங்கைப் பரīட்சைத் திணைக்களம்  
 Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka

60 E I, II

අධ්‍යයන පොදු සහතික පත්‍ර (සාමාන්‍ය පෙළ) විභාගය, 2023 (2024)  
 கல்விப் பொதுத் தராதரப் பத்திர (சாதாரண தர)ப் பரீட்சை, 2023 (2024)  
 General Certificate of Education (Ord. Level) Examination, 2023 (2024)

ව්‍යාපාර හා ගිණුම්කරණ අධ්‍යයනය I, II  
 வணிகக் கல்வியும் கணக்கீடும் I, II  
 Business and Accounting Studies I, II

පැය තුනයි  
 மூன்று மணித்தியாலம்  
 Three hours

අමතර කියවීමේ කාලය - මිනිත්තු 10 යි  
 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.

- Select the answer that shows a need and a want included in the above case respectively.  
 (1) Education, Gurualla Trade centre (2) Gurualla Vidyalaya, Education  
 (3) Sport practices, Health (4) Food, Fruit juice
- An example for capital, a production factor of Sisil cool spot is  
 (1) the rented building in which Sisil cool spot is run.  
 (2) the playground which is situated near Sisil cool spot.  
 (3) Haritha farm, which provides fruits to the Sisil cool spot.  
 (4) the fresh fruits which are used for fruit juice by Sisil cool spot.
- What is the type of business organization that Sisil cool spot belongs to?  
 (1) Sole proprietorship (2) Partnership  
 (3) Incorporated companies (4) State departments
- An example for the external environment factor of Gurualla Vidyalaya is  
 (1) Damitha. (2) Sport teacher.  
 (3) Amitha. (4) Amal.
- Select the correct statement related to the Sisil cool Spot.  
 (1) Amal's liability related to Sisil cool spot is limited.  
 (2) Haritha farm which cultivates organic fruits is a strength to Sisil cool spot.  
 (3) Sisil cool spot is a stakeholder of Haritha farm where fruit is cultivated.  
 (4) Fruit juice sold at Sisil cool spot belongs to the promotion of marketing mix.

[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. Gamunu 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.

[see page three]



15. What is the function of the management process that ringing the bell to separate periods in the school belongs to?
- (1) Planning (2) Organizing  
(3) Leading (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. (2) interest income and capital gains.  
(3) dividends 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. (2) creditors account.  
(3) discounts received 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. (2) **B** and **C** only.  
(3) **A**, **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

[see page four]

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

Invoice  
Raj Traders  
No. 25, Kurunegala

Manager  
Vijaya Telephone Company  
No. 200 Wariapola

No. 1820  
Date 25.02.2024

Serial No.	Description	Quantity	Unit price (Rs.)	Amount (Rs.)
01	Mobile phones	20	15 000	300 000
	Less 10% trade discount			(30 000)
				270 000

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

*Sahan Wickramasinghe*  
Sales Manager

23. The prime entry book of Raj's business, where the information of the above source document is recorded is
- (1) purchases journal. (2) sales journal.  
(3) general journal. (4) cash book.
24. What is the double entry to record the transaction in the above source document in the books of Vijaya Telephone Company?
- (1) Purchases account Dr. Rs.270 000  
Raj's account Cr. Rs.270 000
- (2) Vijaya Telephone Company account Dr. Rs.270 000  
Sales account Cr. Rs.270 000
- (3) Vijaya Telephone Company account Dr. Rs.300 000  
Sales account Cr. Rs.300 000
- (4) Purchases account Dr. Rs.300 000  
Raj's account Cr. Rs.300 000
25. A transaction recorded in general journal of a furniture trading business is
- (1) purchasing a stock of furniture Rs.185 000 in cash.  
(2) purchasing a stock of furniture Rs.175 000 on credit.  
(3) purchasing a stock of furniture Rs.125 000 on credit for business use.  
(4) purchasing a stock of furniture Rs.75 000 in cash for business use.
26. A petty cashier of a business received Rs.7 500 on 01.04.2024 for reimbursement of petty cash imprest. The total of the petty cash expense columns of petty cash book was Rs.8 500 and the balance of the petty cash book was Rs.1 500 as at 30.04.2024. The balance of the petty cash book as at 31.03.2024 is
- (1) Rs.1 500. (2) Rs.2 500. (3) Rs.8 500. (4) Rs.10 000.
27. A cheque Rs. 20 000 received to the business from debtor Venura on 15.04.2024 was deposited in the bank 20.04.2024. Select the correct double entry related to the bank deposit of the cheque.
- (1) Cash account Dr. Rs.20 000 (2) Bank account Dr. Rs.20 000  
Bank account Cr. Rs.20 000 Venura's account Cr. Rs.20 000
- (3) Bank account Dr. Rs.20 000 (4) Cash account Dr. Rs.20 000  
Cash account Cr. Rs.20 000 Venura's account Cr. Rs.20 000

[see page five]



28. Select the answer that includes only the items used for adjusting the balance of bank account in a business.
- (1) Debtor remittances, payments on standing orders
  - (2) Debtor remittances, cheques deposited but not realized
  - (3) Cheques deposited but not realized, cheques issued but not presented to the bank
  - (4) 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?
- (1) Cheques issued but not presented to the bank Rs.10 000
  - (2) Cheques deposited but not realized Rs.12 000
  - (3) Dividends income received directly to the bank Rs.8 000
  - (4) 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
- (1) Rs.8 000.
  - (2) Rs.10 000.
  - (3) Rs.96 000.
  - (4) Rs.120 000.
32. Select the answer that shows the elements of total production cost.
- (1) Direct material cost, direct labour cost, direct other expenses, prime cost
  - (2) Direct material cost, direct labour cost, direct other expenses, production overhead cost
  - (3) Indirect material cost, indirect labour cost, indirect other expenses, production overhead cost
  - (4) 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
- (1) Rs.20 000.
  - (2) Rs.25 000.
  - (3) Rs.50 000.
  - (4) Rs.100 000.
34. Production cost of a children's book is
- (1) Rs.470.20.
  - (2) Rs.540.20.
  - (3) Rs.570.00.
  - (4) Rs.640.00.

[see page six]

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

**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.
- 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.
  - 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.
  - 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.
  - 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.
  - 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.
  - 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.

\* \*

[see page seven