

**REFERENCE
ONLY**

BUSINESS & ACCOUNTING STUDIES
Grade 10 (Eng: medium)- 2nd term test-2016
De Mazenod College – Kandana.

I

There are 20 multiple choice questions, Answer all questions .Each question carries 2 marks and a total of 40 marks are awarded for this paper

1. The variety of things used to satisfy wants and needs are called,

- I. Goods and services.
- II. Products
- III. Production.
- IV. All the above.

2. The economic system which exist at past is,

- I. Agricultural economic system.
- II. Industrial economic system.
- III. Fisheries economic system.
- IV. All the above.

3. The main weakness in good exchanging era is,

- I. Problem of storage.
- II. Absence of double coincidence of wants.
- III. Communication problems.
- IV. Difficulty in dividing of items into small parts.

4. Which of the fallowing is true?

- I. Needs are limited and wants are in various forms.
- II. Needs are in various form and wants are limited.
- III. Needs are limited and wants are unlimited.
- IV. Needs are limited and wants are not important.

5. When a person continuously does some work,he gets special ability or a competency.it is called,

- I. Commitment.
- II. Personal specialization
- III. Skills.
- IV. Knowledge.

V. All the above

6. A person produces what he needs by himself is called,

- I. Indirect production
- II. Job specialization.
- III. Direct production.
- IV. Task specialization.

7. The most important factor which should be emphasized when selecting an appropriate distribution method is,

- I. Nature of the products.
- II. quantity of the products.
- III. Need of the consumer,
- IV. Durability of the products.

8. The authority of issuing notes and coins is privileged by,

- I. The peoples bank in Sri Lanka..
- II. The central bank in Sri Lanka.
- III. The bank of Ceylon.
- IV. Hatton national bank in Sri Lanka.

9. When Sri Lanka reaches the political stability, it is,

- I. An opportunity to a businessman.
- II. A threat to a businessman.
- III. A strength to a businessman.
- IV. A weakness to a businessman.

10. Select which of the following is not going under private sector business organization?

- I. Corporations
- II. Incorporated companies
- III. Partnership.
- IV. Co-operatives.

11. Which of the following express the term "money"?

- I. Any materials commonly accepted by every one as the medium of exchange that can be used when exchanging goods
- II. Factor which can be used to measure the value of goods.
- III. Any Materials that can be used to closing a transaction.
- IV. None of the above.

12. The industrial revolution was started in,

- I. Cuba.
- II. England
- III. Russia.
- IV. America.

13. The mass scale production, using heavy machines and equipments, Banking services and support services are result of,

- I. Industrial revolution.
- II. The international trade.
- III. Globalization.
- IV. None of the above.

14. Providing year customers the facility of transacting with any branch of their bank is known as,

- I. Uni-banking system
- II. Inter-banking system
- III. Networking
- IV. Inter networking

15. Trend in jewellery and dress fashions, religious beliefs, and special commemoration days for adults are coming under,

- I. Economic environment.
- II. Political environment.
- III. Legal environment.
- IV. Social & cultural environment.

16. Management ability and leadership is,

- I. An opportunity for a business.
- II. a strength for a business
- III. A talent in a business.
- IV. A service for a business.

17. Which of the following is not an internal environmental factor?

- I. Managers
- II. Employees.
- III. Population.
- IV. Suppliers.

REFERENCE ONLY

18. Business enterprise which can be collected more capital is,

- I. Partnership.
- II. private Limited companies.
- III. Public Limited companies.
- IV. Co-operatives.

19. the minimum and maximum no of persons allowable in a public limited companies are,

- I. Minimum 07 but no maximum.
- II. Minimum 07 and maximum 50.
- III. Minimum 02 but no maximum.
- IV. Minimum 01 but no maximum.

20. If a business carried out under a name which does not consist of the full names of the owners of business, the business should e registered under,

- I. The companies act no: 7 of 2007
- II. Business name ordinance act no: 06 of 1918.
- III. The partnership ordinance of 1890.
- IV. The companies act no: 17 of 1982.

20-07-2016

Grade 10

Business and Accounting Studies

Part II

2nd Term Test 2016 – July

**REFERENCE
ONLY**

(01) Matheesha expects to start a business in manufacturing children's garments. She expects to invest the amount of Rs. 300,000, saved by her, since her childhood. She has followed a dress making course conducted by a reputed organization. She plans to buy two sewing machines for Rs. 100,000. And further she decides to join her best friend Kamala for her business after three months time, but her mother's idea is that it is suitable to keep the business in the same way rather than joining another person. She plans to obtain a bank loan of Rs. 200,000.

- (1) State the type of business organization that Matheesha expects to start?
- (2) State two characteristics of above mentioned business organization.
- (3) State two strengths of Matheesha's business?
- (4) If Matheesha will join with her best friend what kind of organization will be suitable for them?
- (5) State two disadvantages of above mentioned type of organization.
- (6) Show the effects of transactions in Matheesha's business in to basic accounting equation.
- (7) Indicate 2 objectives of Matheesha, intended to achieve from this business.
- (8) State two contributions of Matheesha towards this business.
- (9) Give one example each for assets and liabilities in Matheesha's business.
- (10) State two cash receipts in Matheesha's business.

(20 marks)

Part II – (A)

Answer only 02 questions.

(02) Businesses require different resources to produce goods and services. These resources required are known as factors of production.

- (i) Name 04 factors of production.
- (ii) Give an example for each factor mentioned above.
- (iii) State 04 stakeholders of businesses.
- (iv) State 04 differences between needs and wants.
- (v) Give 04 examples for service providing businesses.

(2 x 5 = 10)

(03) The business environment can be classified mainly as internal environment and external environment.

- (i) State three parties with in the internal environment.
- (ii) Name 04 external environmental factors that affect to a business.
- (iii) State two examples each for strengths and weaknesses of a business.
- (iv) State two examples each for opportunities and threats of a business.
- (v) Name 2 negative and positive impacts from the global environment on domestic business.

(2 x 5 = 10)

(04) Businesses are organized in different ways. These different types of business organizations can be classified, depending on various criteria.

- (i) Classify business organizations based on the ownership of the business.
- (ii) Give 02 examples each for the above classification.
- (iii) Name 03 criteria used to classify the business organization based on the scab.
- (iv) State an advantage and a disadvantage of the business given below.

Business	Advantage	Disadvantage
Sole proprietorship		
partnership		

(v) State the differences among the businesses given below under the given dimensions.

	Limited Companies	State corporations
Ownership		
Financing		
Management		
Liability		

(2 x 5 = 10)

PART II – B

(Answer only two questions)

(05) Following are some transactions occurred in Ranjana's business.

January	01	Invested capital Rs. 700,000
	02	Purchased office equipment for use in the business Rs. 100,000
	03	Purchased goods for cash Rs. 60,000
	04	Purchased goods on credit Rs 90,000
	05	Paid owner's personal insurance premium Rs. 10,000
	06	Cash Sales Rs 150,000
	07	Paid insurance Rs. 8,000
	08	Credit sales Rs. 70,000
	09	Paid to creditors
	10	Received cash from debtors Rs. 60,000

Required

Ledger accounts for the above transactions.

(10 marks)

(06) The following are the transactions relevant to the month of January 2016 in Kumara's business.

Jan.	01	Invested rs. 400,000 as capital.
Jan.	04	Purchased goods for cash Rs. 100,000
Jan.	09	Sold goods for rs. 80,000 cost of this stock was rs. 60,000
Jan.	14	Paid electricity bill Rs. 10,000
Jan	18	received rent income Rs. 20,000
Jan.	20	Obtained a bank loan Rs. 200,000
Jan.	28	Sold goods on credit for 50,000 cost of this stock was 30,000.
Jan	29	Received Rs. 30,000 from debtors.
Jan	30	Owner withdrew goods worth Rs. 5,000
Jan.	31	Paid Rs. 20,000 bank loan installment Rs. 2,000 as interest.

Required,

Show the impact of each of transactions with amounts in the accounting equation given below.

$$\begin{array}{l} \text{Assets} = \quad \text{Equity} \quad + \quad \text{Liability} \\ \text{Stock} + \quad \text{Debtors} \quad + \quad \text{Cash} \quad = \quad \text{Equity} + \text{Bank loan} \end{array}$$

(10 marks)

- (07) Following cash book has been prepared by the account clerk of Kusum's business for the month of January 2016.

Cash book

Date	Description	L.f	Amount (Rs.)	Date	Description	L.f	Amount (Rs.)
Jan. 01	Capital account		500,000	Jan. 10	Equipment account		150,000
Jan. 05	Bank loan account		200,000	Jan. 13	Purchases account		250,000
Jan. 06	Sales account		300,000	Jan. 16	Telephone charges account		10,000
Jan. 26	Debtor's account		100,000	Jan. 19	Bank loan interest A/C		5,000
Jan. 29	Rent income account		50,000	Jan. 23	Creditor's account		35,000
				31/1	Balance c / d		700,000
			1,150,000				1,150,000
			0				
1/2	Balance b/f		700,000				

Required,

Describe the transactions for each entry listed in the cash account in chronological order.

(2x10 = 10)