

Western Provincial Department of Education

Year End Evaluation 2019

Business and Accounting studies

Grade 11

Marking scheme

Paper I

1. 02	11. 04	21. 01	31. 01
2. 03	12. 01	22. 02	32. 03
3. 02	13. 03	23. 01	33. 01
4. 04	14. 04	24. 01	34. 04
5.04	15. 02	25.01	35. 01
6. 04	16. 04	26. 03	36. 02
7. 02	17. 02	27. 01	37. 03
8. 03	18. 01	28. 01	38. 02
9. 04	19. 03	29. 02	39. 01
10. 02	20. 04	30. 04	40. 02

(01 * 40 = 40 Marks)

Paper II

01)

i) a) Sole proprietorship

b) Partnership

ii) a) Located near to a school , No any other bookshop close the shop

b) Can utilize different skills of partners

Can raise more capital

Shared liability

Collective decision making

iii) a) yes

b) Business name ordinance no 6 of 1918

iv) a) Current account

- b) Commercial banks
- v) a) Rs 1,500,000
- b) Current asset - Cash
- Non current asset - Furniture, motor vehicle
- vi) Personal loan, by selling asset, saving money (appropriate answer)
- vii) Planning
- viii) Cash account

Balance	800,000	Purchase	100,000
Bank loan	400,000	Carriage inwards	3,000
Sales	150,000	Balance b/f	1,247,000
	1,350,000		1,350,000

- ix) Cash account debit Rs 400,000
- Bank loan account credit Rs 400,000
- x) Sales 150,000
- Purchase 100,000
- Carriage inwards 3,000
- Rent 15,000
- Depreciation 5,000 (123,000)
- Net profit 27,000

(02*10=20 Marks)

Part I

Business studies

2) i) a) Human needs are requirements that must be fulfilled essentially for existence (01mark)

b) **Needs**

Simple

Being common

Can't be created

Being essential

Being limited

Wants

Complex

Being diverse

Can be created

Not essential

Being unlimited

(½ for each difference, 1 mark for two differences,)

ii) a) True b) False c) True d) False

(½ mark*4=02marks)

iii) a) Selling goods and services for final consumption (01mark)

b) Purpose of selling

Selling large quantities of goods in one transaction

Selling few selected items

Providing trade discounts

(1 mark 2 characteristics)

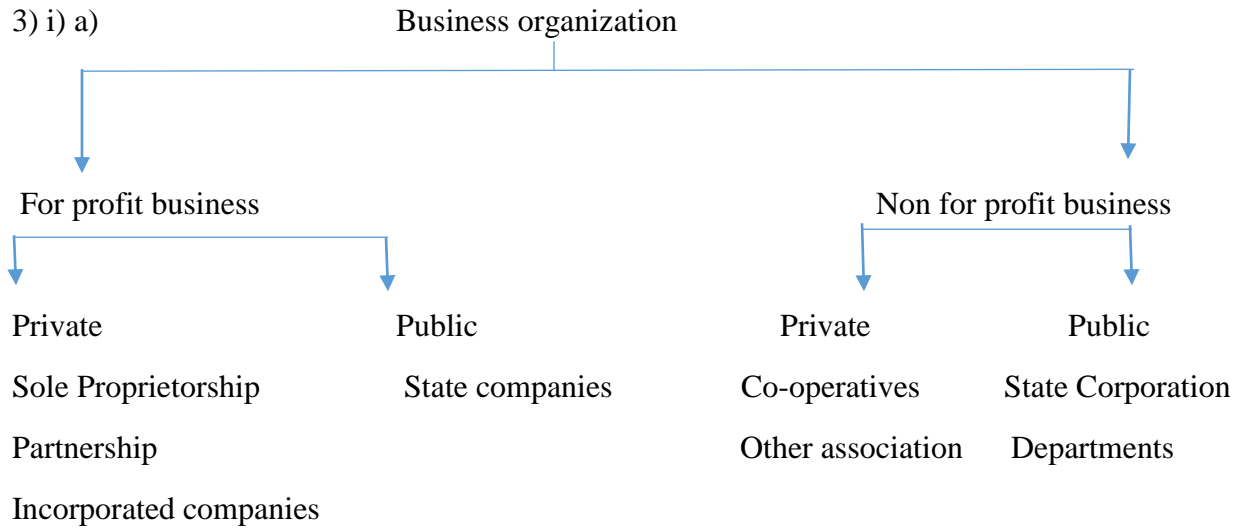
iv) a) Various policies of a government which influence of business activities (01mark)

b) Receiving latest technology

Quality raw materials from abroad

(1 mark 2 facts)

(Total 08 marks)



(For correct classification 01 mark)

- b) Capital is provided by a single person
 Profit or loss to be bare alone
 Unlimited liability
 No legal personality
 No continuous existence

(1 mark 2 characteristics)

- ii) a) False b) True c) True d) True

(½ mark*4=02marks)

- iii) a) Credit card, debit card, Automated teller cards (01mark)
 b) Credit cards (01mark)
 iv) a) Verbal, written, electronic, code and signals (01mark)
 b) Appropriateness, Speed, cost, clarity , Easy to use (1 mark 2 factors)

(Total 08 marks)

4) a) Management is the process of planning, organizing, leading and controlling the resources owned by a business in order to achieve objectives of a business efficiently and effectively.

(01mark)

b) Planning, organizing, leading and controlling

(01mark)

- ii) a) False b) True c) False d) False

(½ mark*4=02marks)

- iii) a) Effectiveness means using resources to achieve the expected objectives (01mark)
- b) Different strategies business use to increase its sales (01mark)
- (iv) a) Retaining (saving) some amount of money from the earnings by a person with the purpose of having future gain or profit can be referred to as investment. (01mark)
- b) The capital of a company could be divided in to equal portions and one such portion is known as share (01mark)

Part II
Accounting

- 5) i) a) The resources that are generated as a result of past transaction are called assets (01 mark)
- b) Arouse as a result of past transaction
- Having a current obligation
- Outflow of economic resources when settlement is made (01 mark)

ii)

Transactions	Asset	Equity	Liability
1	+ 800,000 cash	+ Capital 800,000	
2.	+ 50,000 Stock		- 50,000 Creditors
3.	+ 6,000 cash - 4,000 Stock		
4.	- 2,000 Cash	- 2,000 Electricity	

(01 mark for each transaction, 04 marks)

iii)

Date	Invoice Number	Suppliers	Value	Ledger page
2/1	65	Janith	5,000	
2/8	72	Kusum	2,000	
2/28		Credited to sales account	7,000	

(01 Mark)

Sales Account

	2/28 Debtor 7,000
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(01 Mark)

Janith account

	2/1 Sales 5,000
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(01 Mark)

Kusum account

2/8 sales	2,000
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(01 Mark)

(iv)

Bank Account

Date	Receipt no.	Description	L / P	Value	Date	Voucher No	Description	L / F	Value
3/1		Balance b/f		200,000	3/5		Purchase		8,000
3/10		Cash		5,000	3/8		Creditor (Sarath)		3,000
3/18		Cash (Chq)		3,000	3/31		Telephone charges		3,000
		Cash (chq)		8,000			Balance c/f		206,000
3/25		Creditor (Dishonored chq)		3,000					
				219,000					219,000
		Balance b/f		206,000					

(02 marks)

(Total 12 marks)

6) i) a) The statement send to the current account holders once a month by the bank, this is summary of transactions done by the business with the bank , called bank statement (01 Mark)

b) Deposit slip, Payment voucher, Bank statement, Cheque return notification (01 Mark)

ii) Bank reconciliation statement is a statement prepared by using the difference between the balances of bank statement and bank account of the business (02 Marks)

iii)

Date	Description	value	Date	Description	Value
5/31	Balance b/f	25,000		Bank charges	1,000
	Direct remittance	2,000		Balance c/d	26,000
		27,000			27,000
6/1	Balance b/f	26,000			

(02 Marks)

Bank reconciliation statement

Date	Description	Cash	Cash
5/31	Balance of adjusted bank account		26,000
	Add Issued but not yet presented to the bank		3,500
			29,500
	Less		
	Deposited but not realized cheque		(5,000)
	Balance as per the bank statement		24,500

(02 Marks)

iv)

Date	Voucher number	Description	Ledger Page	Debit	Credit
		Building repairing		2,000	
		Building account			2,000
		(correction of recording building repairing in building account)			
		Electricity charges		3,000	
		Suspense account			3,000
		(correction of recording electricity charges only in the cash book)			
		Debtor account		5,000	
		Suspense account			5,000
		(correction of error of receiving cash from a debtor has not been recorded in the debtor account)			

(01 mark for each correction, 03 marks)

Suspense account

Date	Description	Value	Date	Description	Value
	Balance b/f	8,000		Electricity	3,000
				Debtor	5,000
		8,000			8,000

(01 Mark)

(Total 12 marks)

7) i) a) Enhancing social welfare and social well- being

(01 Mark)

b) Receipt and payment account

Income statement

(01 Mark)

Ranmaga sport clubs

For the year ended 2018.12.31

Income statement

Income		
Membership fees	2,500	
Donation	5,000	
Ticket sales	2,000	32,000
Expenses		
Stationaries	1,000	
Anniversary expense	3,000	
Printing expense	4,000	(8,000)
Surplus		24,000

(For 03 correct answers 01 mark, If all are correct 02 marks)

Rawindi business

for the year ended 2108.12.31

profit or loss statement

Sales			500,000
(-) Cost of sales			
Opening stock		50,000	
Purchase		200,000	
Carriage inwards		3,000	
		253,000	
Closing stock		(20,000)	233,000
Gross profit			267,000

+ Income			
Discount received			5,000
			272,000
(-) Expenses			
Distribution expenses			
Bad debts	4,000	½	
Depreciation of motor vehicle	50,000	½	
Discount allowed	7,000		
Advertisement	5,000	66,000	
Administrative expenses			
Insurance	4,000	½	
Furniture depreciation	20,000	½	
Salary and wages	6,000	30,000	
Financial expenses			
Loan interest	10,000	½	
Bank charges	4,000	14,000	(110,000)
Net profit			162,000 ½

(½ * 08 = 04 marks)

Rawindi Business

as at 31.12.2018

position of financial position

	Cost	Accumulated Depreciation	Net value
Non-current asset			
Land and building	800,000		800,000
Furniture	200,000	40,000	160,000 ½
Motor vehicle	500,000	100,000	400,000 ½
	1,500,000	140,000	1,360,000
Current asset			
Stock		20,000 ½	
Debtor		71,000 ½	
Bank balance		60,000	
Cash		40,000	191,000
			1,551,000
Equity and Liability			
Capital			1,263,000
+ Net profit			162,000 ½
Non-current liability			
Bank Loan			100,000 ½

Current liability			
Accrued insurance		1,000	
Creditor		15,000	
Accrued interest		10,000	26,000
			1,551,000

($\frac{1}{2}$ * 08 = 04 marks)

(Total 12 marks)