



(viii) (a)

Cash book

Balance	1200000	Purchase	100000	
Sales	200000	Salary	20000	
		Transportation	7000	
		Balance c/d	1273000	
	<u>1400000</u>		<u>1400000</u>	( 1 mark)

(b) Rs. 8000

( 1 mark)

General journal

(ix)	Date	v/n	Description	L/p	Debit	Credit
	1/31		Equipment depreciation account dr Accumulated equipment depreciation cr (Recording annual depreciation in the accounts) ( 1 mark)		3000	3000
			Land and building depreciation account dr Accumulated land & building depreciation account cr (Recording annual land & building depreciation in the accounts) ( 1 mark)		5000	5000

(x) Calculate the profit

Sales		200000
(-)		
Purchase	100000	
Salary	20000	
Transport	7000	
Electricity	3000	
Depreciation	8000	(138000)
Net Profit		62000

(2 marks2)

(Total marks 2 x 10 = 20)

**Part I - Business studies**

- 02) (i) (a) The various resources required to produce goods and service are known as factors of production. (1 mark)  
(b) Takes the risk, Creates innovation and taking decisions (1 mark)
- (ii) (a) True (b) False (c) False (e) True (2 marks)
- (iii) (a) Internal environment, external environment (1 mark)  
(b) Internal environment - owner (chathurika), Manager (Bandara)  
External environment - supplier (Janaka)  
School students - customers (1 mark)
- (iv) (a) Inflation (1 mark)  
(b) The rate at which the currency of one country is exchanged with the currency of another country (1 mark)
- (Total 08 marks)

- (03) (i) (a) Business organization is consist of an individual or a group of individual working together to produce goods and services required to fulfil human needs and wants (1 mark)  
(b) Profit oriented business, nonprofit oriented business (1 mark)
- (ii) (a) True (b) False (c) False (d) True (2 marks)
- (iii) (a) Selling goods and services for final consumption (1 mark)  
(b) Purchasing goods for the purpose of reselling  
Selling large quantities of goods in one transaction  
Unit selling price is relatively low  
Providing trade discounts } two factors - 1 mark
- (iv) (a) Drawing two parallel lines on the face of a cheque (1 mark)  
(b) ★ General crossing  
★ Special crossing (1 mark)
- (Total 08 marks )

- (04) (i) (a) Marketing mix is a set of variables used to achieve marketing objectives of a business within a target market. (1 mark)  
(b) The share of market consists of consumers that a business can satisfy in a more attractive and profitable way is the target market. (1 mark)
- (ii) (a) True (b) False (c) False (d) True (2 marks)
- (iii) (a) ● Planing  
● Leading (1 mark)  
(b) ● Planning - determining the objectives of the business, determining the activities to achieve those objectives  
● Leading - Giving required information to employees (1 mark)

- (iv) (a) The capital of a company could be divided into equal portions and one such portion is known as a share (1 mark)
- (b) ability to earn fixed rate of interest  
ability to convert into cash at anytime  
a full guarantee from the government } 1 mark for two factors (1 mark)
- (Total 08 marks)

**Part II - Accounting**

- (05) (i) (a) To provide useful information to interested parties of a business (2 mark)
- (b) Arouse as a result of a past transaction, having a current obligation, outflow of economic resources when settlement is made (2 mark)

(ii) (a)

Transaction	Asset			Equity	Liability	
	Furniture	Stock	Cash		Bank loan	Creditor
1/1 balance	60,000	12000	200000	262000	-	10,000
(1)			+50,000			+ 5000
(2)		½	-8000	-8000		
(3)	+30,000		-30,000			
(4)		+ 15000½	-15000½			
(5)		-4000½	+5000½	+1000½		

(3 marks)

- (b) Furniture - 90,000  
Stock - 23,000  
Cash - 202,000  
Total cash - 315,000

(1 mark)

(iii) Purchase account

Date	I/N	Supplier	Value	Ledger Page
3/5	350	Gayana ½	11000	
3/12	215	Asanka ½	8750	
3/20	300	Ruwana ½	3250	
3/31		Debited to purchase accounts	23000	

(2 marks)

Purchase account

Date	Description	l/f	Value	Date	Description	l/f	Value
3/31	Creditors		23000 ½				

Gayana account

Date	Description	l/f	Value	Date	Description	l/f	Value
				3/5	Purchase ½		11000

Asanka account

Date	Description	l/f	Value	Date	Description	l/f	Value
				3/12	Purchase ½		8750

Ruwan account

Date	Description	l/f	Value	Date	Description	l/f	Value
				3/20	Purchase ½		3250

(Total 12 marks)

- (06) (i) (a) Cash book  
 Petty cash book  
 Bank account  
 Purchase journal  
 Sales journal  
 General journal  
 } any two of them (1 mark) (1 mark)
- (b) perform as a prime entry book and perform as a ledger account (1 mark)
- (ii) (a) Reimbursement amount Rs. 1,850 (1 mark)  
 (b) Rs. 1300 (1 mark)

(iii) Bank account

Date	R/ N	Description	L/ P	Value Rs.	Date	V/ N	Description	L/ P	Value Rs.
6/1		Balance b/f ½		60,000	6/4		Sandamali		8000
6/2		Cash		18,000	6/12		Salary Payments ½		12000
6/12		Cash (cheq) ½		20,000	6/18		Electricity ½		6000
6/25		Cash (cheq) ½		16,000	6/27		Purchase ½		26,000
					6/30		Balance c/d ½		62,000
				½ 114000					114000

(4 marks)

(iv) Bank Account (adjusted)

Date	Description	l/ f	Value	Date	Description	l/ f	Value Rs.
1/31	Balance b/f ½		88,00		Bank charges ½		700
	Kamal ½		10,000		Rent ½		4000
				1/31	Balance b/f ½		14100
			18,800				18,800
2/1	Balance b/f ½		14,100				



Chandani's business  
 Statement of financial position }<sup>1/2</sup>  
 as at 31st December 2019

Non current asset	cost	Accu.depr eciation	Net value
Land and building	500000	-	500000
Machinery	300000	60000½	240000
	800000	60000	740000½
<u>Current asset</u>			
Closing stock		35000½	
Debtors		13500½	
Cash		9000	57500
Total asset			797500½
<u>Equity and liability</u>			
Capital		465000	
(+) Net profit		194500½	659500
<u>Non current liability</u>			
Bank loan			120000
<u>Current liability</u>			
Accrued loan interest	6000½		
Creditors	12000		18000
Total equity and liability			797500

(8 marks)

(Total 12 marks)