

Provincial Department of Education
Northern Province
Second Term Examination – 2019 July
Business and Accounting Studies
Grade 10- Marking Scheme
Part – I

1.	2	11.	3	21.	1	31.	4
2.	4	12.	2	22.	3	32.	3
3.	1	13.	4	23.	3	33.	2
4.	2	14.	1	24.	1	34.	4
5.	3	15.	3	25.	1	35.	2
6.	1	16.	2	26.	2	36.	1
7.	2	17.	1	27.	2	37.	4
8.	4	18.	3	28.	3	38.	3
9.	4	19.	1	29.	2	39.	4
10.	3	20.	2	30.	4	40.	1

Part II

Question No.01

1. Partnership business (02 Marks)
 2. Strength:- Preparing natural drinks and ice-cream with quality and tasty
 3. Education knowledge of Sarangan (01 mark)
 - Opportunity:- Increase of customers, Suitability of climate
4. Easy to start (01 mark)

More capital can be collected.

Various skills can be used.

Collective decision making (2×1= 2 marks)
5. Yes (01 mark)

A partnership business must have written agreement (01 mark)
6. Rs. 470 000 (02 marks)
7. Rs. 477 000 (02 marks)
8. Equity account or capital account

Cash account or assets account (2×1=2 marks)
9. Bank loan (02 marks)
10. Rs. 57 000 (02 marks)
11. Rs. 20 000 (02 marks)

Question No.02

1. (a) An economic activity related to production and distribution of goods and services required to fulfill human needs and wants (01 mark)
- (b)

Needs	Wants	
1. Essential	Not essential	
2. Being common	Not common	
3. Cannot be created	Can be created	
4. Limited	Unlimited	(2×1/2=01 mark)
2. Goods manufacturing business

Service providing business (2×1= 2 marks)

3. For land, labour, capital, entrepreneurship - 01 mark

For relevant examples – 01 mark

Obtaining quality goods

Obtaining goods at reasonable prices (2×1= 2 marks)

Question No. 03

1. Customers	Suppliers	Competitors	
Political and legal environment	Legal environment	Economic environment	
Technical environment	Global environment		(4×1/2=02 marks)

2. (a) Company Registrar Office (01 mark)

(b) Consumers Affairs Authority (01 mark)

3. For relevant examples for strengths, weaknesses, opportunities and threats (½ mark for each)

4. (a) Interest rate	Inflation	Income distribution	Savings
Full employment	International relations	Foreign exchange rate	

(01 mark for 4 items)

(b) Modern technologies can be obtained.

Quality goods can be obtained.

Inflow of foreign capital

Foreign market can be obtained. (2×1/2=01 mark)

Question No. 04

1. Kumaran Store - Sole proprietorship business

Sri Lanka Postal Department - State Departments

Ceylon Electricity Board State Corporations

Silva & Bros. Partnership business (4×1/2=02 marks)

2. State Sector :- Sri Lanka Postal Department

Ceylon Electricity Board

Private sector: Sole proprietorship business

Partnership (4×1/2=02 marks)

3. Kumaran Store – Invested by a single person

Sri Lanka Postal Department – Fully by government

Silva & Bros. :- Invested by partners

Ceylon Electricity Board :- Larger capital by government and small amount by private sector

(4×1/2=02 marks)

4. (a) Yes. As it is not similar to full name of partners, it must be registered.

(01 mark)

(b) It must be registered at Divisional Secretariat under Business Name Registration Ordinance No. 6 of 1918. (01 mark)

Question No. 05

1. (a) Providing useful information to stakeholders of a business organization for their decision making is called accounting. (01 marks)

(b) Additional capital

Income

Drawing

Expenses

(2×1/2=01 mark)

2. (a) Occurred as a result of past transaction

Outflow of future economic resources

Having present obligation

(2×1/2=01 mark)

(b) Current liability

Non-current liability

(2×1/2=01 mark)

3. (a)

Transaction No.	Assets	=	Equity	+	Liability
1)	500 000				500 000
2)	200 000				200 000
3)	50 000 - 50 000				
4)	-10 000				- 10 000

(4×1/2=02 marks)

(b)

Transaction	Account to be debited	Account to be credited
1)	Cash account	Capital account
2)	Cash account	Bank loan account
3)	Stock / Purchase account	Cash account
4)	Rent account	Cash account

(4×1/2=02 marks)

4. (a)

Liabilities

Bank loan account

Creditors account

Bank overdraft

Accrued expense

Assets

Motor vehicle

Debtors

Building

Fixed deposit

(02 marks)

(b) Capital on 2018.01.01

Rs. 430 000

Income for the year

Rs. 240 000

Additional capital

Rs. 60 000

Rs. 730 000 → (01 mark)

Expenses for the year

Rs. 150 000

Equity

Rs. 580 000 → (01 mark)

Question No. 06

1. (a) The document which includes all the details about the transaction and signed by the relevant officer.

(01 mark)

(b) Decrease in liability Debit

Decrease in liability Credit

(01 mark)

2. Assets account:- Debtor account, Building account

Liability accounts:- Bank loan account, Accrued expense account

Income accounts :- Sales account, Discount received account

Expense accounts:- Salary account, Electricity account

(4×1/2=02 marks)

3. (a) Receipt – Cash account

Payment voucher – Bank account

(2×1/2=01 mark)

(b) 1) Discount allowed

Discount received account

(2×1/2=01 mark)

2) Creditor account Dr.

Discount received account Cr.

(01 mark)

4. Cash account

Date	R.No	Details	LF	Value	Date	V.No.	Details	LF	Value
01.01		b/d	½	← 120000	02.01		Purchase		40 000
03.01		Bank loan		25000	04.01		Salary	½	← 20 000
05.01		Debtor	½	15000	07.01		Electricity		5 000
06.01		Sales		50000			c/d	½	← 145 000
				210000					210 000
		b/d		145000					

Question No. 07

- (a) An amount given as advance to petty cashier appointed by main cashier to carry out petty expenses (01 mark)
(b) Deposit slip, Payment voucher, Bank statement, Cheque Return Notification (2×1/2=01 mark)
- Rs. 1650 (02 marks)

3. Kumaran account

Date	Details	LF	Value	Date	Details	LF	Value
01.02	Sales		10000				

Sales account

Date	Details	LF	Value	Date	Details	LF	Value
				01.02	Kumaran		10000
					Cash		24000

Amalan account

Date	Details	LF	Value	Date	Details	LF	Value
					Purchase account		12 000

Purchase account

Date	Details	LF	Value	Date	Details	LF	Value
03.02	Amalan		12 000				

Cash account

Date	Details	LF	Value	Date	Details	LF	Value
05.02	Sales		24 000		Salary		15 000

Salary account

Date	Details	LF	Value	Date	Details	LF	Value
07.02	Cash		15 000				

(1 mark for one double entry) (4×1=04 marks)

4. Bank account

Date	Details	LF	Value	Date	Details	LF	Value
01.04	Cash		25000	20.04	Electricity	1 mark	← 6000
07.04	Saravanan	3 mark	← 6000		c/d		50000
11.04	Sales		25000				56000
			56000				
01.05	b/d		50000				