

Nalanda College – Colombo 10

Unit Evaluation

Grade 11

Business & Accounting studies

Unit 08

Investment

- Answer all the questions

- 01) You have provided different investment method and their returns. By using them match the column (X) with column (Y)

X	Y
I. Treasury bills	A. Earn capital gains
II. Fixed deposits	B. Earn additional returns
III. Saving account	C. Having full guarantee from government
IV. Purchasing properties	D. Earning higher interest rate

1) ABCD

2). CDAB

3). DCAB

4). CDBA

- 02) Select the most correct answer from the bracket

[Dividends, Ordinary shares, Capital gains, Shares, The security and exchange commission of Sri Lanka, Colombo Stock Exchange, Central Bank of Sri Lanka]

- Investors buyingreceive an ownership of the company
- A company raises capital by issuing.....
- By selling the properties at a higher price than the purchased price..... can be earned
- Colombo Share market transactions are conducted via.....
- Treasury bills are issued by.....

- 03) State whether the following statements are true or false

- Treasury bills are short term instrument issued by the Central Bank in order to fulfil short term financial needs of the government (.....)
- Interest is the return for investing shares (.....)
- A property can be present as a collateral when obtaining a loan

4) Ordinary shares can be sold at any time

04) What is meant by “Investment”

05) Write two factors to be considered when selecting an investment method

06) Write benefits received by investing in ordinary shares

07) What is the main objective of “The security and exchange commission of Sri Lanka”

08) Mr. Nihal Ranasinghe received Rs.1000 000 from his provident fund. He has planned to travel “ Dambadiva” next year. Until then he hopes to invest his money in a short term investment which will ensure full guarantee from the government

a) What is most suitable investment method for Mr. Nihal Ranasinghe

b) Write down two factors to select that investment method