



Jaffna Hindu College

1st Team Evaluation Test - 2022

Grade - 11

Business Studies & Accounting

Time : 1 hour

Name/ Index No:

Note:

- Answer all questions.
- In each of the questions 1 to 40, pick one of the alternatives. (1), (2), (3), (4) which is correct or most appropriate
- Mark across (x) on the number corresponding to your choice in the answer sheet provided.

● Answer the question No. 1 to 5 using the Following use.

Students of Muththuthampy Maha Vidyalaya prefer rice porridge Prepared by the school old Students' Association, School co operative society and academic and non - academic staff collectively using the rice donated by Sayanthan, the owner of 'vijitha Rice Mill'.

01. what is the human need satisfied by the Muththuthampy Maha Vidyalaya?
(1) Food (2) Education (3) Health 4 Security
02. An example for the external environmental factor of Muththuthampy Maha Vidyalaya is
(1) academic staff (2) non-academic staff
(3) Vijitha rice mill business (4) students of the School.
03. A public sector business of included in the above case
(1) Vijitha Rice Mill business (2) Old students' Association.
(3) School cooperative society (4) Muththuthampy Maha Vidyalaya
04. What is the production factor that rice used to prepare rice porridge in the above case belongs to?
(1) Land 2) Labour (3) Capital (4) Entrepreneurship
05. Select the correct answer related to the vilitha Rice Mill business in the above case
(1) Registration of the name of this business is compulsory.
(2) The Liability of Sayanthan in this business is limited
(3) There is a legal entity to this business
(4) The business is a not for profit business
06. Receiving the best Entrepreneur award of year 2021 by Sara products' business is
(1) a strength of the business
(2) a weakness of the business
(3) an opportunity of the business
(4) a threat of the business

07. A democratic control and volunteer and open membership are characteristics of a business organization. an example for this kind of business organization is.
- (1) Mahesh and Brothers
 - (2) Maharagama multipose Co- operative society limited
 - (3) Ceylon petroleum co-operations
 - (4) Sri Lanka Telecom PLC
08. A commodity manufacturing business is
- (1) Cooperative whole sale Establishment
 - (2) Lanka Tire company (pvt)Limited
 - (3) Sri Lankan Airlines
 - (4) Central Bank of Sri Lanka
09. Increase in the American dollar value relative to the Sri Lankan Rupees for a garment exporting company is
- (1) an internal environmental factor
 - (2) an economic environmental factor
 - (3) a legal environmental factor
 - (4) a technological environmental factor
10. Following are the certain goals of stakeholders
- (a) Obtaining a reasonable salary
 - (b) Collecting taxes
 - (c) Obtaining orders continuously
- Select the answer that shows the stakeholders who are interested in the above goals A,B and C in correct order.
- (1) Employee, Government, Suppliers
 - (2) Employee, owners, Suppliers
 - (3) Employee, Financial Institution, Competitors
 - (4) Managers, Government, Owners
11. Following are few incidents
- A : Kamalan gets his hair cut from the Modern Saloon.
- B : Sasikaran imports a motor vehicle from Japan for his own use.
- C : Tharsini flower Traders purchases two fresh flowers baskets.
- D : Kirisan sells 50kg of paddy from his harvest to a rice mill owner.
- Out of the above incidents, whole sale trades are
- (1) A and B
 - (2) A and C
 - (3) B and D
 - (4) C and D

Answer the questions No 12 and 13 using the above case

Subash who has a current account at Bank of Ceylon issued a cheque of Rs.100 000 to a client Theeba, and Theeba has encash it at the bank counter.

12. Select the answer which shows the drawee and payee of the cheque respectively.
- 1) Bank of Ceylon and Theeba
 - 2) Theeba and Bank of Ceylon
 - 3) Bank of Ceylon and Subash
 - 4) Subash and Theeba

13. The cheque issued in the above case
- 1) has a general crossing
 - 2) has a special crossing
 - 3) hasn't a crossing
 - 4) Cannot be deposited in a bank current account
14. Bavan who does not hold any bank account, paid fuel bill of his motor car using an electronic card. The electronic card he used is
- 1) a debit card
 - 2) a credit card
 - 3) a SET card
 - 4) a PET card
15. Ramanan has insured his motor vehicle which is valued Rs. at 500 000 to the same amount. In an accident Rs. 200 000 worth damage occurred to the motor vehicle. Ramanan claimed Rs. 500 000 compensation for the damage from the insurance company. How much is the compensation Bavan received from the insurance company?
- 1) Rs. 500 000
 - 2) Rs. 300 000
 - 3) Rs. 200 000
 - 4) Rs. 700 000
16. Tharanika who runs a garment factory, obtained a loan to build her house securing one of her insurance policy. To obtain the loan Tharanika used
- 1) Fire insurance policy
 - 2) Cash in transit insurance policy
 - 3) Life insurance policy
 - 4) Motor vehicle insurance policy
17. Select the situation that indicates an internal verbal and electronic communication method.
- 1) The principal addresses the morning assembly using a loudspeaker
 - 2) The production manager calls suppliers to order raw materials on telephone
 - 3) The class teacher sends letters to parents informing to participate in the parents meeting
 - 4) Marketing manager sends an e-mail to customers informing new price lists
18. Renovating the Jaffna International Airport in an attractive way. The element of transportation implied by this statement is
- 1) Way
 - 2) Mode
 - 3) Power
 - 4) Terminal
19. Select the answer which shows examples for the elements of transportation of a vessel, which transport goods.
- 1) Ports, Airways, Diesel
 - 2) Diesel, Ports, Main roads
 - 3) Waterways, Airport, Diesel
 - 4) Diesel, Water ways, ports
- ❖ **Answer the question No 20 and 21 using the following case**
 A publisher decided to reserve his exhibition stall behind the main entrance of Colombo International Book Fair and recruited an employee for it.
20. Two management Functions in the above case are
- 1) Planning and leading
 - 2) Planning and organizing
 - 3) Organizing and controlling
 - 4) Leading and Organizing

21. Two Variables of marketing mix mentioned in the above case

- | | |
|--------------------------|------------------------|
| 1) Promotion and Product | 2) Promotion and Place |
| 3) Product and Place | 4) Product and Price |

22. What is the non electronic signs communication method from the following pictures.

1)



2)



3)



4)



23. Select the answer which shows the basic accounting equation correctly.

- | | |
|--------------------------------|--------------------------------|
| 1) Assets + Liability = Equity | 2) Assets + Liability = Equity |
| 3) Assets + Equity = Liability | 4) Equity + Liability = Assets |

Answer the question of Mohan's business following information.

The accounting equation of mohan's business at 01st November 2021 is as follows

Assets	=	Equity	+	Liability
(Rs)		(Rs)		(Rs)
100 000	=	60 000	+	40 000

Following are some transactions occurred during the first week of november 2021 of this business.

- A - Purchasing a stock of goods Rs. 200 000 on credit
- B - Purchasing a stock of goods Rs.10 000 in cash
- C - Paying a creditor of Rs.5000
- D - Selling a stock of goods for Rs.15 000 in cash which was purchased at Rs. 10 000

24. What is the amount of the liabilities of this business after the above transaction.

- | | | | |
|---------------|---------------|--------------|--------------|
| 1) Rs. 45 000 | 2) Rs. 55 000 | 3)Rs. 65 000 | 4)Rs. 75 000 |
|---------------|---------------|--------------|--------------|

25. What is the transaction that does not change the value of total assets of the business as at 01.11.2021

- | | | | |
|------|------|-----|-----|
| 1) A | 2) B | 3)C | 4)D |
|------|------|-----|-----|

26. The equity of the business at the end of the first week of November 2021

- | | |
|--------------------------|--------------------------|
| 1) Increases by Rs. 2000 | 2) Increases by Rs. 7000 |
| 3) Decreases by Rs. 5000 | 4) Decreases by Rs. 5000 |

27. Vani stores sold 10 packets of toffee each at Rs. 200 on credit and the trade discounts deducted was 10% Due to this transaction in this business.

- | | |
|--|--|
| 1) discount allowed increased by Rs. 200 | 2) Sales income increases by Rs.2000 |
| 3) Value of the debtors increases by Rs.2000 | 4) Value of the debtors increases by Rs.1800 |

28. The account which indicates the principle of double entry, increasing credit, decreasing debit is
- 1) discounts allowed account
 - 2) Cash account
 - 3) purchases account
 - 4) capital account
29. Which of the following includes only the combination of current liability?
- 1) Cash balance and bank balance
 - 2) Debtors and Bank
 - 3) Creditors and accrued rent
 - 4) Creditors and Bank Loan
30. Which of the following is a source document for credit sales?
- 1) Purchase invoice
 - 2) Sales invoice
 - 3) receipts
 - 4) voucher
31. The prime entry book that is relevant to record a payment of a creditor of a business by a cheque is
- 1) Cash account
 - 2) Paying voucher
 - 3) Bank account
 - 4) General Journal
32. Out of the following, select the transaction that does not affect the equity?
- 1) Paying Rs. 500 rate in cash
 - 2) Receiving Rs. 1000 additional income in cash
 - 3) Paying Rs. 6000 to the creditors by the owner from his own money
 - 4) Paying Rs. 2000 accrued electricity expense in cash.
33. Out of the following select the transaction that should be recorded in the general journal.
- 1) obtaining off Rs. 2000 cash by the owner for personal use.
 - 2) Writing off Rs. 2000 cash from the debtors as bad debts.
 - 3) Purchasing a machine for Rs. 100 000 in cash for use of business
 - 4) Purchasing a stock of goods for Rs. 10000 to the business on credit
- ❖ Some information about petty cash of a business are given below.
- Petty cash balance of petty cashier as at 01.01.2021 is Rs. 200
- Reimburse the petty cash imprest on 01.01.2021 is Rs. 1800
- Petty cash balance of petty cashier as at 31.01.2021 is Rs. 300
34. Select the owner that shows the amount of the petty cash imprest and petty cash expenses of the business in the month of January respectively.
- 1) Rs. 2000, Rs 1500
 - 2) Rs. 1800, Rs 1500
 - 3) Rs. 1800, Rs 1700
 - 4) Rs. 2000, Rs 1700
35. The credit balance of the bank statement of Valarmathi's business for the month of October 2021 was Rs. 12,000. This is
- 1) an asset of the business
 - 2) a liability of the business
 - 3) an asset of the bank
 - 4) a bank overdraft of the business

36. What is the transaction that was not recorded in the bank account of the business included in the bank statement?
- 1) An amount of Rs. 50 000 was deposited in the bank account
 - 2) Rs. 5000 dividend income was directly received to the bank account
 - 3) Issued cheque of Rs. 15000 was paid by the bank
 - 4) Deposited cheque of Rs. 20000 was credited to the account by the bank
37. Select the transaction recorded in sales journal of a handicraft producing business
- 1) Selling handicraft of Rs. 25000 on credit
 - 2) Selling handicraft of Rs. 45000 on cash
 - 3) Selling handicraft producing machine of Rs. 65000 on credit
 - 4) Selling a stock of cloths purchased on credit to produce handicrafts of Rs. 55000 in cash
38. The cheque of Rs. 20 000 issued to a creditors was dishonored - because of this in the business
- 1) bank balance increases and creditors balance also increases
 - 2) bank balance increases and creditors balance decreases
 - 3) bank balance decreases and creditors balance increases
 - 4) bank balance decreases and creditors balance decreases
39. The stock of Rs. 45000 purchased by a business from Ramu on credit has been recorded suntharam's account as Rs.54000. The prime entry book to rectify this error is
- 1) General Journal
 - 2) Purchases Journal
 - 3) Cash book
 - 4) Sales Journal
40. Following is a Journal entry relevant to rectifying an accounting error.

Office equipment account	Dr -	Rs. 60000	
Office expenses account	Cr -		Rs. 60000

The error occurred in accounting of the business is

- 1) Debiting office expenses of Rs. 60000 in to office equipment account
- 2) Office equipment purchased for cash of Rs. 60000 has been omitted from the book completely
- 3) Office expenses payments of Rs. 60000 has not been recorded completely
- 4) Debiting office equipment purchased of Rs.60000 in to office expenses account.



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Part - II

Answer 5 questions

(Including question I and selecting two questions from each of the part A & B)

01. Answer the question From 1 to 10 using the following case.

Mr. Milton who graduated in commerce stream commenced a business with name of "Mass Center" at a crowded city on 1/1/2022 with the capital of Rs. 1000,000/-. He sells Milk products which are purchased From a organic Farm. He appointed a experienced Manager and two employees.

Further 3.1.22 He received a bank loan Rs 200 000/-

5.1.22 He bought a refrigerator Rs. 500 000/- from silva company.

A new incentive for local milk products in announced by government so that many educated youths interest to enter the market.

The additional cash transaction for the month of january 2022

- Sales 600 000/=
- Furniture bought 100 000/=
- Purchased goods 300 000/=
- Salary paid 30 000/=
- Telephone charge 20 000/=
- Opened a current account Rs. 50 000/=

He is unable to conduct on - line business by poor IT knowledge of Employees.

He has an idea to join his friend as a business partner.

1. 1) According to the ownership which type of business is mass center?
2) Which business organization can be formed with his friend? (02Marks)
2. 1) According to the product produced which type of business is mass center?
2) Give the interested parties related to case. (02Marks)
3. "The mass center has no need to be registered"
1) Do you agree with the statement?
2) Give the reason? (02Marks)
4. Give the strength, weakness opportunity and threat related to the above case? (02Marks)
5. Show the effect for the transactions held on 1/1/22 & 3/1/22 on the following accounting Equation
Assets= Equity + Liabilities (02Marks)
6. 1) Give the double entry for the transaction held on 5/1/22

- 2) Give the dual effect for it. (02Marks)
7. Write the primary book and source document for the transactions held on 3/1/22 and 5/1/22 (02Marks)
8. According to the Bank statement for month of January following information can be identified.
 Cheque book charge 2000/-
 and Direct income remittance 20 000/-
 prepare adjusted bank a/c? (02Marks)
9. 1) Give 2 reasons for the differentiation of bank account and bank statement ?
 2) Identified the following under Assets, liabilities, Equity, Income & Expenses
 a. Land and Building
 b. Bank overdraft
 c. Discount received
 d. Fixed deposit (02Marks)
10. Prepare cash book for the month of January 2022 and balance off (02Marks)
 (Total 20 Marks)

Part - A

❖ Answer any 2 questions.

02.

1. 1) Write the differentiation of needs and wants
 2) Which are the two main business objectives (02Marks)
2. State whether the following statements are true or false
 1) As a stake holder, the community are interested in the business activities. ()
 2) The generation of different job opportunities is not a Business objective ()
 3) The Survival of a business depends on its customers ()
 4) A Sole proprietorship can get legal personality through the registration of its name of business. ()
 (02 Marks)
3. Mr. Mathan and his sons commenced a business with name of "mathan and sons"
 1) Which type of business is mathan and sons?
 2) Write 2 disadvantages of the business ? (02 Marks)
4. Mr. Arun and his friends decides to commence a democratically controlled independent organization.
 1) Which business organization can be they opened?
 2) Write the Act to be registered of above business organization? (02Marks)
 (Total 08 Marks)

03.

1. 1) Write two business organization which have no legal personality?
 2) Write two business organization which are managed by board of directors (02Marks)
2. State whether the following statements are True or False
 1) University grant commission is a corporation ()
 2) Departments are operated in order to provide various essential services ()

- 3) According to sole proprietorship registration of business name never provides identify and recognition. ()
- 4) Anything produced by man in order to facilitate manufacturing process is known as factors of production ()

(02Marks)

3. Mr. Mithu opened a fixed deposit worth of 200 000/- with his savings.

- 1) What do you meant by fixed deposit.
- 2) Under on urgent matter how can run received cash from the fixed deposit? (02Marks)

4. Mr. Lavan received a general crossing cheque Rs.100 000/- of Bank of Ceylon from his manager Mr. Boss

- 1) Write the name for the following parties related fo cheque
 Drawer -
 Drawee -
 Payee -
- 2) How can be Mr. Lavan changed as cash? (02 Marks)

(Total 08 Marks)

04.

1. 1) What is management?
 2) Differentiate the term Efficiency and Efficient. (02 Marks)

2. State whether the following statements are True or False

- 1) Prefects are finding out the daily cleaning of every class room is an example for organization ()
- 2) Department has legal personality ()
- 3) The basis of insurance is accumulating risk ()
- 4) Leading is the process or directing human resources ()

(02 Marks)

3. Mr. Romeo made an insurance coverage for a life of his wife with Sri Lanka insurance corporation

- 1) Identify the following parties related to the case
 The Insured -
 The Insurer-
- 2) Write the insurance principals related to the case. (02Marks)

4. The past students of king school formed a mathematic union which objective is to increase scholars in mathematics to achieve the objective they arranged evening class and also They appointed maths tutors.

The activities has been supervised and guided by a maths senior teacher weekly further They confirm their objectives archived successfully through a monthly exam.

- 1) Which are the main process of management.
- 2) Identify the four main process of management related to the above case (02Marks)

(Total 08 Marks)

Part - B

❖ Answer any two questions

05.

1.
 - 1) What is accounting? (01 Marks)
 - 2) Write 02 possible reasons to increase the equity? (01 Marks)
2. State the 5 ledger accounts and give 2 example for each? (02 Marks)
3. Dilson business commenced a garment shop on 01/01/2022. The Following transactions occurred during the month of January 2022.
 - 1) Commenced a business with Rs. 200 000/- as a capital.
 - 2) Received bank loan Rs.100 000/-
 - 3) Goods purchased Rs. 60 000/-
 - 4) Goods sold which cost 60 000/- to 95 000/- on Cash.

Record the impact of above transactions in the following accounting equation.

Assets = Equity + Liabilities

(04 Marks)

4. The debit balance of the bank account of Maruthi business was 75000/- as at 01/01/2022. The following transactions occurred during the month of January 2022.
 - 1) Goods sold Rs.100 000/- by cheque which was directly deposited.
 - 2) Goods purchased Rs. 60 000/- by cheque.
 - 3) Salary paid Rs. 30 000/- by cheque
 - 4) Cash 40 000/- deposited at bank.
 - 5) Goods sold to Mr. Mathan Rs.35 000/-

Prepare bank account and find the balance of bank

(04 Marks)

(Total 12 Marks)

06.

1.
 - 1) Write the double entry for the petty cash imprest Rs 5000/- (1 Marks)
 - 2) The petty cash balance of a business as at 1st of January 2022 was Rs 500/- and as at 1st of February 2022 was Rs. 800/-. If it was received Rs. 7200/- as petty cash re imprest on 1st or February 2022. What is the petty cash imprest? (1 Marks)
2. Write the 3 characteristic of liabilities ? (02 Marks)
3. Fill in the blanks for the following grids of the Moratuwa Furniture Shop.

Transactions	Source Document	Prime Book
1) Furniture purchased Rs. 120 000/- on credit basis		
2) Furniture Purchased Rs. 40000/-		
3) Motor Vehicle Purchased Rs.200 000/- on Credit basis.		
4) Salary paid Rs. 20 000/-		

(04 Marks)

4. The following information related to silver Business for the month of January 2022 are as Follows.

03.01.2022	Goods sold listed price Rs. 100 000/- to Mr. Mathu, 10 % Trade discount
05.01.2022	Goods sold Rs. 50000/-
08.01.2022	Goods purchased Rs. 120 000/-
10.01.2022	Goods sold Rs. 60 000/- to Mr. Nilavan
18.01.2022	Goods sold listed price Rs. 50 000/- to Mr. Roxy, 10 % Trade discount.

Prepare sales journal book, Its ledger accounts and balance off (04 Marks)
(Total 12 Marks)

07.

1. a) Write 2 transactions which have general journal as primary book? (1 Marks)
b) Write the double entry for the transaction. A motor van purchased from Maruthi Company for Rs. 150 000/- (1 Marks)
2. Mr. Robert who hasn't enough knowledge in Accounting prepared trial balance. It is not balance. The incorrect trial balance is given below.

Trial Balance

Description	Debit	Credit
Land & Building	500 000	
Furniture	200 000	
Creditors	100 000	
Debtors		80 000
Sales		300 000
Purchased		100 000
Salary	30 000	
Received interest	30 000	
Bank Loan	50 000	
Capital	430 000	
Suspense A/c		860 000
	1340 000	1340 000

Prepare the correct Trial Balance (02 Marks)

3. The Trial balance prepare for the delta business as at 31/12/2020 hasn't balance and the difference Rs. 5000/- was posted to debit of suspense account. The following reasons was revealed.
 - 1) Salary paid Rs. 20000/- has not been recorded in prime books.
 - 2) Cash paid to Mala 6000/- has been recorded in Bala a/c
 - 3) Sales Rs 5000/- has not been recorded in sales a/c
 - 4) Purchase A/C Rs. 10000/- has been recorded in credit side of trial balance.

Required

- a) Journal entries to rectify the above errors with narration (02Marks)
- b) The suspense a/c (02Marks)
4. The balance of the bank account of Roxy business as at 31/1/2022 was Rs 85000/- but the bank statement shows a difference.
The following are the reasons for It.

- Unpresented cheque	A108	15 000/-
	A 132	10 000/-

- Unrealized cheque Rs 30000/-
- Bank charges Rs 5000/- has not been recorded in bank a/c
- The standing order payment for Telephone Rs 12000/- has not been recorded in Bank a/c

Required

1. Adjusted bank account for the month of January 2022
2. Bank reconciliation statement

(04 Marks)

(Total 12 Marks)