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**Provincial Department of Education - NWP**

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 First Term Test - Grade 10 - 2018

Index No: ..... **Business & Accounting Studies I & II** **Time: 03 Hours**

- Note
- ❖ Answer all questions
  - ❖ In each of the questions 1 to 40. Pick one of the alternatives 1,2,3,4 which you consider as correct or most appropriate.
  - ❖ Mark a cross (X) on the number corresponding to your choice in the answer sheet provided. Further instructions are given on the back of the answer sheet. Follow them carefully

- 1) The main objective that can be seen in a business ,
 

1. Fulfilling human needs & wants	2. Producing goods & services
3. Earning profits	4. Generating employment opportunities
- 2) Select the group of characteristics which relates to needs.
 

1. Being essential , being diverse , being limited	2. Being common , being limited , being diverse
3. Being common , can be created, being unlimited	4. Being essential , can't be created , being limited
- 3) Which is considered as a commodity manufacturing business,
 

1.A beauty saloon	2. A bakery	3.Wholesale business	4.Insurance institution
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- 4) Select the correct answer which is matched the factors of production with its related example.
 

1.Land - building	2.Labour - Accountants
3.Capital – Forest resource	4.Entrepreneurship – Managers
- 5) A characteristic that can be identified the difference between goods & services
 

1.On price level	2.On supply
3.On imperishability	4.On the brand name
- 6) When introducing products to the market, which is not considered factor about the consumer?
 

1.Consumers income level	2.Consumers taste	3.Social status	4. education level
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- 7) Following are some businesses  
 A – Motor vehicle manufacturing businesses  
 B – Banks  
 C – Educational institutions  
 D - Mobile phone manufacturing businesses  
 E – Carpentry shop  
 Select the answer which is indicated only the service providing businesses.
 

1.A & C	2. A & B	3.A & D	4. B & C
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- 8) At present business activities are being done without any physical place. The main facility to use for this situation is ,
 

1.A fax machine	2. A Telephone	3. A Computer	4. Information Technology
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- 9) Implementing business plans appropriately and taking correct decisions are the contributions of ,
 

1. Managers	2. Employees	3. Owners	4. Suppliers
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- 10) Out of following objectives the owners **do not** intend to achieve,
 

1. Earning a sufficient profit	2. Growth of the business operations in future
3. Receiving a fair salary	4. Security of investment

- 11) The " Barter System " is ,  
 1. A self-sufficient economy  
 2. Information exchanging system  
 3. Money usage system  
 4. Surplus goods exchanging system
- 12) It **is not** a characteristic of a need,  
 1. Simplicity  
 2. Being diverse from person to person  
 3. Being limited  
 4. Can't be created
- 13) Sineth started a books manufacturing business, who came back to Sri Lanka after having a long service from abroad.  
 It **is not** a stakeholder relates to Sineth's business.  
 1. Jayasiri books producers    2. Sineth    3. Bank of Ceylon    4. Fragrant soap producers
- 14) A service providing business is ,  
 1. Processed food manufacturers  
 2. Washing machine Producers  
 3. Banks  
 4. Cool drink Producers
- 15) The factors relate to the external environment are ,  
 A – Employees, B – competitors , C – Managers, D – Suppliers  
 1. A & D                      2. C & B                      3. A, B, C & D                      4. B & D
- 16) ..... are the individuals providing resources to the business and the business operations are conducted and decisions are implemented by the .....  
 Select the correct answer for above blanks 1 & 2  
 1. Managers , Owners                      2. Owners , Managers  
 3. Government , Managers                      4. Government , Owners
- 17) The existence of a business depends on ,  
 1. Suppliers                      2. Competitors                      3. Owners                      4. Customers
- 18) As a result for the scarcity of coconuts, the Sri Lankan government decided to import coconuts. This statement relates to,  
 1. Economic environment                      2. Political environment  
 3. Legal environment                      4. Global environment
- 19) Select the institution or designation which is enacted whether the businesses are providing suitable food for the customers,  
 1. Registrar of companies                      2. Central Environmental Authority  
 3. Public Health Inspector                      4. Labour Courts & Labour Tribunals
- 20) The related environmental factor for recording accounting process by using computers and information systems at present is ,  
 1. Political environment                      2. Economic environment  
 3. Technological environment                      4. Legal environment
- 21) It **is not** an economic environmental factor.  
 1. Fiscal Policies                      2. Income Distribution                      3. Inflation                      4. Savings
- 22) A positive impact from the global environment on domestic businesses is ,  
 1. Domestic skilled workers migrating to foreign countries.    2. Creating a highly competitive environment  
 3. Negative changes on the local culture                      4. Possibility to obtain efficient machines.
- 23) The currency unit of Japan is ,  
 1. Pound                      2. Yen                      3. Yuan                      4. Dollar
- 24) Providing tax incentives for business by the government is ,  
 1. A strength                      2. A weakness                      3. An opportunity                      4. A threat
- 25) By studying the internal environment of a business can be identified ,  
 1. Strengths & Opportunities                      2. Strengths & Weaknesses  
 3. Opportunities & Threats                      4. Threats & Weaknesses

- 26) State the impact to the businesses by increasing bank loan interest rates from January 2017.
1. Businesses are motivated to receive loans.
  2. Businesses are not motivated to deposit cash in the banks
  3. Receiving loans are being limited by the businesses
  4. Increasing selling price of goods & services by the businesses.
- 27) Because of the competitors it **is not** an impact to the businesses of their.
1. Prices of productions
  2. Quality of goods
  3. Marketing strategies
  4. Financial strength
- 28) State the suitable business organization for Pasindu to start who prefers to take individual decisions.
1. Kumari Tex
  2. Silva & Sons
  3. Hindu Company
  4. Young Buddhist Organization
- 29) An advantage can be seen in a partnership by comparing with a sole proprietorship is,
1. Can take decisions individually
  2. Can raise more capital
  3. Having a legal personality
  4. Having a limited responsibility of the owners.
- 30) A business organization which collects more capital by issuing shares.
1. Partnerships
  2. Other associations
  3. Cooperatives
  4. Incorporated companies
- 31) The act of registering a cooperative society is ,
1. The companies Act No.07 of 2007.
  2. The business name ordinance of 1918
  3. The cooperative societies Act No 05 of 1972
  4. The fraud protection Act of 1840
- 32) It is not a business organization which is commencing the objective of social welfare.
1. Cooperative societies
  2. State Departments
  3. Death donation societies
  4. Incorporated companies
- 33) A business organization which commences with the objective of social welfare and to provide essential services is ,
1. Cooperative societies
  2. Other associations
  3. State corporations
  4. Charity associations
- 34) Select the group of business organizations which is not having a legal personality and having an unlimited liability.
1. Partnerships , incorporated companies
  2. Partnerships , sole proprietorships
  3. Incorporated companies , proprietorships
  4. Sole proprietorships , cooperative societies
- 35) A partnership commences with an agreement among its partners. This agreement which can be arisen in type of ,
1. One
  2. Two
  3. Three
  4. five
- 36) A business organization which is having a legal personality is ,
1. A partnership
  2. A sole proprietorship
  3. A department
  4. State corporations
- 37) A business organization which its management and administration is done by the government is ,
1. Cooperative Societies
  2. Sole Proprietorships
  3. Incorporated Companies
  4. State Departments
- 38) The name of a sole proprietorship should be registered under ,
1. The business name ordinance of the respective provincial council
  2. The act of fraud protection
  3. The companies act no,07 of 2007
  4. The partnerships act of 1890
- 39) Nuwan Thilakarathne commences a business named "Nuwan Grocery". This business should be registered,
1. On the date of started
  2. After 14 days of commencing
  3. Within 14 days of commencing
  4. It is not mandatory to register
- 40) When registering the sole proprietorships the relevant application should be obtained from,
1. The Company Registrar Office
  2. The Respective Divisional Secretariat Office
  3. The Grama Niladhari Office
  4. The Divisional Council

**Index No: ..... Business & Accounting Studies II**

**Important**

➤ Answer all questions

01. Study the following case and answer the given questions briefly.

Prasanna Silva left school after G.C.E. (O/L) Examination and started his professional life as a Carpenter. He has more competencies about wood carvings and he followed a course about carvings from the National Vocational Training Center. He started a sales outlet in front of his carpentry shop named " Manahara Furniture Producers " . In addition he recruited 10 employees to the factory and the sales shop. He intends to expand his business after receiving a bank loan from a commercial bank in his area.

- 1) Write 02 characteristics can be seen in goods which are produced by this business.
- 2) State to what type of business , based on the nature of product produced by this business
- 3) Name a strength that can be seen in Prasanna Silva.
- 4) Name 02 resources are related to factors of production Land and Labor in this business.
- 5) State 02 stakeholders of this business.
- 6) Name 02 external environmental factors that can be seen in this business.
- 7) Should this business be registered? given reasons.
- 8) Name a required report which should be received to register this business.
- 9) When classifying the business organizations, in which type of business organization that Prasanna Silva's business relates.
- 10) Name a suitable bank that Prasanna Silva should go to receive a bank loan for enhancing the business.

(Marks – 2x10=20)

02. i. state the difference between needs & wants (02)

ii. State whether the following statements are true or false–

- (a) Business is an economic activity which manufactures or provides different goods and services in order to fulfill human needs & wants (.....)
- (b) The objective of a consumer is to obtain a quality product at a reasonable price (.....)
- (c) The physical contribution in a business can be considered as labour (.....)
- (d) The main objective of managers is earning a sufficient profit (.....)

(½ x4=02)

iii. Sumali is conducting a processed food business.

- (a) To what type of business that Sumali's business relates When classifying based on the nature of the product? (01)
- (b) write 02 reasons should be considered when providing processed food to the market. (01)

iv. (A) - briefly explain the owners of a business. (01)

(B)- write each related objective for following stakeholders.

i. suppliers

ii. Community (01)

03. (i) Dileesha carries a vegetables & fruits business near Kurunagala – Anuradhapura route, by supplying fresh vegetables & fruits from his living area. When the business grew rapidly and he recruited an employee for the purpose of selling vegetables & fruits. There is another vegetables and fruits business situated near this business.
- (a) Name the two main types of the business environment. (01)
- (b) State related parties for the main 02 types of environment from the above case. (01)
- (ii) state whether the following statements are true or false
- (a) The managers build up the good relationship between employees and customers (.....)
- (b) Shop and office employees Act No 14 of 1954 related to the legal environment (.....)
- (c) Possibility to obtain latest technology is not a positive impact from the global environment (.....)
- (d) Unfavourable geographical location is a threat for a business (.....)
- (½ x4=02)
- (iii) (a) write 02 economic environmental factors. (01)
- (b) briefly explain globalization. (01)
- (iv) Sapumal started a manufacturing business by using cement with his father's Inheritance, there is not having such a business near Sapumal's business is caused to success for him. According to this situation. Write,
- (a) a strength and
- (b) an opportunity of Sapumal's business (02)
4. (i) (a) briefly explain the public sector business organization.
- (b) write 02 examples for such business organizations.
- (ii) State the following statements are true or false.
- (a) Number of partners in a partnership is decided according to the companies Act No .07 of 2007. (.....)
- (b) There should be 20 partners maximum in a partnership. (.....)
- (c) Conducting an audit firm by chartered Accountants is not related to a partnership. (.....)
- (d) Cooperative societies can collect capital by issuing shares. (.....)
- (½ x4=02)
- (iii) Write 02 Criteria that should be considered to decide the scale of a business (02)
- (iv) State **03 examples** for the private sector business organizations which is conducted with the objective of social welfare. (03)
- (v) write 03 factors which is based to commence a large scale business. (03)
5. (i) what is a society or an association? (02)
- (ii) State the following statements are true or false.
- (a) Businesses can be seen in private sector or public sector as based on the ownership. (.....)
- (b) State departments , state corporations and cooperative societies are related to the public sector. (.....)
- (c) Young Men Buddhist Association is a business organization which is having a legal personality. (.....)
- (d) A cooperative society can be started with at least 10 members. (.....)
- (½ x4=02)
- (iii) Write 02 advantages can be achieved by registering the business name. (02)
- (iv) Nimal commences a business which is sewing mosquito nets in front of Nimal's house with one of his relation Kamal by recruiting 15 women employees.
- (a) State the above business organization relates to the classification of business organizations based on the scale according to the Census & Statistics departments .
- (b) State the type of business organization that above business belongs to the classification of business organizations based on ownership in private sector. (02)
- (v) The state departments are institutions that will be directly and fully governed by the government under a ministry.
- (a) Write an examples for a state department in Sri Lanka.
- (b) Write an advantage of state department. (02)

**1<sup>st</sup> Term Test 2018**  
**Grade 10 – business & Accounting Studies I, II**  
**Answer script**

**Paper I**

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

**Paper II**

01. .
- i. Having a physical existence, tangible, visible
  - ii. Commodity manufacturing businesses
  - iii. - Competency in wood carvings  
- Followed a Course from national Vocational Training Center
  - iv. Land – wood  
Labour – carpenter's labour  
Employees
  - v. Owner/Prsanna Silva  
Employees
  - vi. Customers , wood suppliers , technological environment , economic environment
  - vii. Yes / agree  
The business is conducting in a different name other than the full name of it's owner.
  - viii. Grama Niladhari Report
  - ix. Sole proprietorship
  - x. Any commercial bank

02...

- i. Needs are requirements that must be fulfilled essentially for existence.  
Wants are different ways of satisfying needs.
- ii. a). √      b). √      c). x      d). x
- iii. a). commodity manufacturing business  
b). - Consumer's tasty  
- Social status  
- Income level
- iv. a). the persons who are providing resources to the business  
b). suppliers – securing orders continuously  
- obtaining money without any delay  
Community – analyzing whether the business activities are conducted in  
environmental friendly manner  
- analyzing whether business contributes to the social welfare



03. ...

- I. a). – Internal environment  
– External environment
- b). Internal environment - \* owner/Dileesha  
\* Employees  
External environment - \* customers  
\* competitors
- ii. a). √            b). √            c). x            d). x
- iii. a). • interest rate  
• Inflation  
• Income distribution  
• level of employment  
• international relationship  
• foreign exchange rates  
• savings
- b). globalization is the mutual relationship among countries in terms of economic, social and cultural dimensions.
- iv. a). Strength – knowledge and inheritance received from his father.  
b). Opportunity – not having a competitor

4. ...

- I. a). business funded and owned by the government are public sector business organizations  
b). State Department, State Corporations, State Companies
- ii. a). √            b). √            c). x            d). x
- iii. \* amount of capital invested  
\* Number of employees  
\* Amount of the energy used  
\* Market share of the business
- iv. Farmers associations  
Sports clubs  
Ladies Clubs  
Youngers Societies
- v. \* the nature of the business  
\* the preference of businessmen  
\* required resources for the business

5. ...

- i. associations are organizations with the objective of social well-being
- ii. a). √            b). x            c). x            d). √
- iii. \* provides an identity and recognition  
\* provides a qualification to obtain incentives given by the government  
\* easy to obtain loans  
\* Provides an ownership of the business name.
- iv. a). Small scale  
b). Partnerships
- v. a). Sri Lanka Railway Department  
Sri Lanka Postal Department  
Sri Lanka Agricultural Department
- b). \* provide essential services to the public  
\* provide large scale services  
\* A large number of employees are working in department / provide more employment Opportunities  
\* Provide services without a profit motive for the well-being of the general public.