

SRI JAYEWARDENEPURA EDUCATIONAL ZONE

FIRST TERM TEST- MARCH 2019

BUSINESS AND ACCOUNTING STUDIES I,II

BUSINESS AND ACCOUNTING STUDIES -I

GRADE 10

TIME- 01 HOUR

Note-

- Answer all questions
- In each of the questions 1 to 40 , mark the correct or most appropriate answer from the alternative (i), (ii) , (iii), (iv)
- Write “x” to indicate the correct answer in the special answer sheet provided to you
- Please follow the instructions given in the overleaf of the answer sheet.

01. When the man has become more civilized his wants and needs also expanded. As a result of surplus in production goods exchange system was introduced

The major reason for the generation of surplus in production was,

- (i) the availability of excess resources to produce a surplus
- (ii) producing goods more than their skills and talents
- (iii) expansion in needs and wants with the development of civilization
- (iv) realizing that the wants could be fulfilled through exchanging

02. “Most of the people who live in Polonnaruwa District have got kidney disease and they are under medication in hospitals due to the addition of arsenic into drinking water”

According to the above extraction the need of the kidney patients is,

- (i) Health
- (ii) Leisure
- (iii) Medicine
- (iv) Hospitals

03. One of their wants is,

- (i) Health
- (ii) Food
- (iii) Leisure
- (iv) Medicine

04. Which one of the following is a characteristic of Needs?

- (i) They are merely complicated
- (ii) Cannot be created by the businessmen
- (iii) Decided by the individual’s social and income status
- (iv) Differs from person to person

05. Which one of the following can be considered as production factor?
- (i) All the resources gifted by nature
 - (ii) Resources required to produce goods and services
 - (iii) Labour, Land, Buildings, and machinery and equipment
 - (iv) The business methods of capital intensive and labour intensive
06. Select the correct answer considering the following statements
- (1) Some private businesses perform without the objective of profit earning
 - (2) Most businesses perform without the objective of profit earning
- (i) First statement is wrong but the second statement is correct
 - (ii) Both First and second statements are correct
 - (iii) Both the first and second statements are wrong
 - (iv) First statement is correct but the second statement is wrong
07. "Currently the world has become a global village" What is the major reason for this?
- (i) The growth in trade due to the reason of forming international trade zones
 - (ii) The development of new technological equipment
 - (iii) The growth of business with the introduction of industrial revolution
 - (iv) The growth in information communication technology
08. Every business is trying to achieve a specific goal or goals. The major reason is,
- (i) To give a return on the investments
 - (ii) In the absence of objective it is difficult to reach the aim
 - (iii) The objectives help to increase the customer satisfaction
 - (iv) It is essential to give benefits to the stakeholders
09. Select the most suitable statement which describes the business environment correctly
- (i) The internal and the external environment of the business
 - (ii) The environment which directly influences the business
 - (iii) The environment which indirectly influences the business
 - (iv) The environment in which the factors affecting businesses are activated
10. Select the correct answer by referring the following statements
- A- The geographical location of the country
 - B- Difficulty in adoption to new technology
 - C- Imposition of international trade embargoes

Which one of the above can be considered as a weakness of a business?

- (i) Only A
- (ii) Only B
- (iii) Only A and B
- (iv) Only A and C

11. A factor which represents the economic environment of a business is,
- (i) Government rules regulations and acts
 - (ii) A decline in the interest rate
 - (iii) A growth in the transportation industry
 - (iv) An improvement in computer technology

12. A strength to a business is
- (i) Providing loans by the government at a lower interest rate
 - (ii) An adequate capital
 - (iii) A favourable foreign exchange rate
 - (iv) A decrease in the inflation rate

13. Select the group which contains only the internal environmental factors
- (i) Owners/Customers/ Employees
 - (ii) Owners/competitors/employees
 - (iii) Owners/managers/employees
 - (iv) Employees/suppliers/ customers

14. Following X and Y columns represent factors of production and examples of them.

X	Y
1. Labour	A- Owner
2. Capital	B- Security guard
3. Entrepreneur	C- Buildings
4. Land	D- Light

Select the correct answer when X and Y are matched together

- (i) 1-A, 2-B 3-C 4- D
- (ii) 1-B 2-C 3-A 4-D
- (iii) 1-D 2-B 3-D 4-C
- (iv) 1-C 2-D 3-C 4-A

15. According to the nature of the product produced organizations could be categorized as (1)----- and (2)----- Select the most suitable answer for (1) and (2)

- (i) Profitable businesses and non profitable businesses
- (ii) Profit oriented businesses and non for profit businesses
- (iii) Private sector businesses and service providing businesses
- (iv) Commodity production and service providing businesses

16. Select the correct answer based on the following two statements
1. The portion which is not spent on consumption is savings
 2. The investment level of a country will decrease due to the increase in savings
- (i) First and the second statements are wrong
(ii) First and the second statements are correct
(iii) First statement is wrong but the second statement is correct
(iv) Only the first statement is correct but the second statement is wrong
17. Which of the following is the reason for the popularity in sole proprietorship?
- (i) Can be started with a small capital
 - (ii) Registration is not a mandatory
 - (iii) No legal personality status
 - (iv) Profit and loss both enjoy by the owner alone
18. What benefit could be enjoyed by the owner by registering the business?
- (i) Exempted from taxation
 - (ii) Receiving the legal personality status
 - (iii) Receiving an identity
 - (iv) Continuous existence
19. The maximum number of members of a partnership is decided by
- (i) The Partnership Ordinance of 1890
 - (ii) The Company act No 07 of 2007
 - (iii) The Shop and Office act of 1954
 - (iv) The cooperative society Act No 02 of 1972
20. The minimum number of members required to start a cooperative society is,
- (i) 10 (ii) 20 (iii) 50 (iv) 100
21. The business organizations are categorized according to the ownership as,
- (i) Profit oriented and non-for profit businesses
 - (ii) Small and medium scale businesses
 - (iii) Private sector and government sector businesses
 - (iv) Small scale and Large scale businesses
22. Select the correct statement regarding the liability of the partners of a partnership
- (i) Liability of the partners could be transferred to an outsider
 - (ii) Liability could be transferred to another person
 - (iii) Partners are collectively bonded to the liability
 - (iv) Partners are not collectively bonded to the liability

23. Column X represents the country and column Y represents the currencies used by these countries

X	Y
(i) China	A -Uren
(ii) Japan	B- Yuan
(iii) France	C- Vons
(iv)South Korea	D- Yen

When Column X and Y match together the correct answer is,

- (i) A C B D
- (ii) B D A C
- (iii) A B C D
- (iv) A C D B

24. The Act which relevant for the registration of a cooperative society is,

- (i) No 05 of 1972
- (ii) No 07 of 2007
- (iii) No 24 of 1890
- (iv) No 06 of 1918

25. Following are some features of business organizations

A – Ownership and controlled by the government

B-Minimum number of members are 10

C-democratic control

D- the head of the institution is appeared in his official title

Out of this which are common only to Departments?

- (i) A and B
- (ii) B and C
- (iii) C and D
- (iv) A and D

26. Coconut Development Board is belonged to,

- (i) State companies
- (ii) State Corporations
- (iii) State Departments
- (iv) Other government business

27. Column X represents the type of business organizations and column B represents examples for the

X	Y
(i) Sole proprietorship	A- Ekanayake and Brothers
(ii) Partnership	B- Sarath Stores
(iii) State Corporations	C- Sri Lanka Telecom(Pvt) Ltd
(iv) State Companies	D- Lanka Electricity Board

The correct group is,

- (i) B A D C (ii) B D C A (iii) C A B D (iv) A B C D

28. Which one of the following is the correct statement?

- (i) The invention of Nano-technology and the digital technology were caused for the improvement in production technology
- (ii) Frequent change in consumers' living pattern will be a threat to the business
- (iii) By analyzing the external environment, it is easier to identify the weaknesses of the business
- (iv) Facing to the competition is a favourable impact of globalization

29. Following are some features of incorporated companies

- A – High recognition
- B- legal personality status
- C- continued existence
- E- Capital formation is done through share issuing

Which one of the above causes for the collection of a large capital is,

- (i) A and B (ii) B and C (iii) A and D (iv) A and C

30. A sole proprietorship is registered with,

- (i) The relevant provincial council
- (ii) Divisional secretariat office
- (iii) Business name registration office
- (iv) Relevant Divisional Council

31. Following are four types of Business organizations

- A- State corporation
- B- Partnership
- C- Sole proprietorship
- D- State Departments

Which one of the above has the status of legal Personality

- (i) A and B (ii) A and D (iii) B and C (iv) A and C

32. Which of the environments is controllable by the business?
- (i) Technological environment
 - (ii) Economic Environment
 - (iii) Political environment
 - (iv) Internal Environment
33. An advantage of State Department is,
- (i) Easy to start
 - (ii) Controlling is easier compared to other organizations
 - (iii) Ability of closing down at any time
 - (iv) Providing large scale services without the intention of profit
34. A disadvantage that a partnership has when compared with a sole proprietorship is,
- (i) Not existence of conflicts or at a minimal
 - (ii) Profit is distributed among the partners
 - (iii) No continued existence
 - (iv) No legal personality status
35. By receiving the legal personality status by an incorporated company,
- (i) A large capital could be collected
 - (ii) Liability becomes limited
 - (iii) Is at a greater level of legal provisions
 - (iv) Assets could be acquired in the name of the company
36. From the following business organizations which one should necessarily has to conduct activities in accordance with the provisions in government Establishment code ?
- (i) Partnerships
 - (ii) Cooperative societies
 - (iii) Associations
 - (iv) State Departments
37. The fee which is relevant to the registration of sole proprietorship will be decided
- (i) According to the company of Registrar
 - (ii) According to the Gramaniladhari
 - (iii) According to the powers of the provincial council
 - (iv) According to the Divisional secretariat office
38. “ When comparing to the other organizations the cooperative societies are becoming weak in competing in the business world” What is the major reason or this outcome?
- (i) The capital formation in Cooperative societies are limited
 - (ii) Cooperatives work towards the social well being
 - (iii) Cooperatives are controlled democratically
 - (iv) Should function according to cooperative principles
- 39.

39. Some times the state corporations create a competitive environment for the private sector business. What is the intention of the government by doing this?

- (i) Providing essential services
- (ii) Providing services which are not supplied by the private sector
- (iii) To minimize the negative effect of the private businesses
- (iv) To receive a part of the profit earned by the private sector

40. In which business organization, owner, manger an the leader are the same person

- (i) Partnership
- (ii) Sole Proprietor ship
- (iii) State corporations
- (iv) Cooperative societies