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First Term Test - Grade 10 - 2020

Business & Accounting Studies - I & II **Time: 03 hours**

Name/Index No:-

Note: Business & Accounting Studies - I

- 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 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.

- (01) Select the answer which indicates the examples for human needs only.
- | | |
|----------------------------------|-------------------------------|
| (1) Food, school, shelter | (2) Health, shelter, internet |
| (3) Communication, food, shelter | (4) Food, shelter, uniforms |
- (02) Match the column "A" with the column "B"
- | | |
|------------------------------|------------------|
| A | B |
| (i) CCTV cameras | A. Health |
| (ii) "Suwaseriya" Ambulances | B. Security |
| (iii) Books | C. Communication |
| (iv) Mobile phones | D. Education |
- (1) A B C D (2) B A D C (3) C A B D (4) B A C D
- (03) The service of a doctor is a1..... and the stethoscope is a2.....
 Select the correct answer for above blanks 1 & 2 respectively.
- | | |
|--------------------|-----------------|
| (1) service, good. | (2) need, want. |
| (3) good, service | (4) want, good. |
- (04) Select a commodity manufacturing business.
- | | |
|-----------------------------|-------------------------------------|
| (1) insurance institutions. | (2) retail businesses. |
| (3) beauty saloons. | (4) chair manufacturing businesses. |
- (05) Select the answer which is related to the factor of production "Land".
- | | |
|----------------------------|-------------------------------|
| (1) forest resource , soil | (2) forest resource, cut gems |
| (3) soil, buildings | (4) minerals, cash |
- (06) Select the **incorrect** statement.
- (1) The institution which manufactures and provides different goods and services are called as businesses.
 - (2) Earning profits is the main objective of an every business.
 - (3) Wants are the different ways of satisfying needs.
 - (4) Physical existing things which are used to fulfil human needs and wants are called as goods.
- (07) Businesses expect certain contributions from its stakeholders. Select the stakeholder who contributes "providing business friendly incentives"
- | | | | |
|--------------|---------------|----------------|---------------|
| (1) managers | (2) suppliers | (3) government | (4) community |
|--------------|---------------|----------------|---------------|

(08)1..... are intend to secure their investment and2..... are intend to recieve a fair salary.

The correct answer for above blanks 1 & 2 respectively is.

- (1) competitors, employees (2) suppliers, employees
(3) owners. suppliers (4) owners. employees

● Using following case answer question No. 9 to 11.

Amadhi Thathsari conducts a stationary shop near a school by naming "Ama Book Shop" and recruited a manager and two employees.

(09) It is **not** an objective of Amadhi as the owner.

- (1) earning a sufficient profit.
(2) taking decisions and implementing those decisions.
(3) growth of the business operations in future.
(4) security of investment.

(10) It is an objective of Richard group of businesses which provides their products to "Ama book shop"

- (1) deciding prices for their products. (2) obtaining products at a reasonable price.
(3) obtaining money without any delay. (4) collecting loans given.

(11) It is **not** a stakeholder of "Ama book shop"

- (1) Amadhi (2) "Shehani Book shop"
(3) People's bank (4) Sahan Milk Bar

(12) Match the column 'X' with column 'Y'.

- | column 'X' | column 'Y' |
|--|---|
| (i) owners | A. Supplying raw materials in time |
| (ii) managers | B. Increasing the productivity of labour. |
| (iii) employees | C. Being dedicated an enthusiastic about business activities. |
| (iv) suppliers | D. Taking correct decisions. |
| (1) C D B A (2) D C B A (3) C B D A (4) C D A B | |

(13) "Consumer affairs Authority" is been established under the Act of,

- (1) Consumer Affairs Authority Act No. 09 of 2003.
(2) Consumer Authority Act No. 09 of 2003
(3) Consumers Authority Act No. 09 of 2003.
(4) Consumer Affairs Act No. 09 of 2003.

(14) Following are some incidents occurred in the business environment.

- (A) It is indicated new tax amendments relates to domestic potatoes on current budget proposals.
(B) Interest rates on bank deposits are increased by 2%.
(C) A new Act was passed relates to protect the environment for the pollution of polythene.

Select the incidents which are related to political environment only.

- (1) A & B only (2) A only (3) A & C only (4) C only

- (15) Select the correct statement.
- (1) Managers are individuals who duly perform their tasks assigned using their own skills and competencies.
 - (2) International relations, trade agreements are the factors related to political environment.
 - (3) Fiscal policies are related to economic environment.
 - (4) Various Acts, Laws and regulations have been imposed by the government are discussed under the legal environment.
- (16) The environment which can be controlled by the business is called as,
- (1) internal environment.
 - (2) consumers.
 - (3) employees.
 - (4) external environment
- (17) The incident which is **not** related to "providing infrastructure facilities"
- (1) Laying the foundation for the new entrance point of the central express way.
 - (2) A new water project was started for Rajarata dry zones.
 - (3) Introducing a boat service for passengers across the canals of Bere Lake.
 - (4) Introducing the Tele mail service instead of the telegram service of the postal service.
- (18) Select a factor which is related to the external environment.
- (1) managers
 - (2) owners
 - (3) technology
 - (4) employees
- (19) It is increased the interest rates for bank deposits subject to the advices of the Central Bank of Sri Lanka. Above statement relates to,
- (1) technical environment.
 - (2) economic environment.
 - (3) legal environment.
 - (4) Political environment.
- (20) It is **not** an example for Technological environment.
- (1) using modern machines instead of the simple manual machines.
 - (2) using e - mail instead of snail mail.
 - (3) using computer information systems instead of the manual accounting books.
 - (4) constructing highways by the government instead of the normal roads.
- (21) Technological environment is called as
- (1) The usage of new technological instruments.
 - (2) The usage of new machines.
 - (3) The usage of new methods and new innovations.
 - (4) All above reasons.
- (22) As a factor of economic environment the income distribution is called as,
- (1) How the national income of a country has been distributed among its people.
 - (2) The difference of the distribution of income.
 - (3) How the income earned by each individual.
 - (4) The way of distribution of the personal income.

- (31) An advantage of a sole proprietorship is,
- (1) easy to commence.
 - (2) can raise more capital.
 - (3) can take collective decisions.
 - (4) having a legal personality.
- (32) Select the correct statement relates to state corporations.
- (1) Should be incorporated under the companies Act.
 - (2) not having a legal personality.
 - (3) can take independent decisions.
 - (4) should be established under a parliament Act.
- (33) Select a profit motive business organization.
- (1) corporative societies
 - (2) stated epartments
 - (3) state companies
 - (4) sport associations
- (34) An example for an incorporated company is,
- (1) Samitha Perera Business
 - (2) Silva and company.
 - (3) Randunu (private) Ltd.
 - (4) Ceylon electricity Board.
- (35) It is **not** a reason for selecting mostly as small scale businesses by the businessmen.
- (1) ease of starting with less capital.
 - (2) ease of starting with less legal influences.
 - (3) have the ability to influence the respective industry.
 - (4) to be able to make the best use of their skills.
- (36) It is **not** a characteristic can be seen in cooperative societies.
- (1) having a democratic control
 - (2) collective ownership of members.
 - (3) having individual expectations.
 - (4) voluntary and open membership.
- (37) Select a **not** for profit business
- (1) incorporated companies
 - (2) partnerships
 - (3) state companies
 - (4) cooperative societies.
- (38) Determining the scale of a business depends on several factors. Out of them the major factors are,
- (1) owners financial strength, skills, various relationships, experiences.
 - (2) owners financial strength, number of employees, goods produced, various relationships.
 - (3) goods and services produced, market share, skills. experiences.
 - (4) goods and services produced, market share, skills, owners financial strength.
- 39) Denushi decided to commence her business as "Denushi Textiles." But she is inquiring you, who has the authority to set relevant fees for registering the business name. The correct answer is,
- (1) The secretary of relevant divisional secretariat office.
 - (2) The grama Niladhari of relevant division.
 - (3) The respective provincial council with in the authority of them.
 - (4) The business name registrar of the relevant provincial council.
- (40) Supun conducts a business by registering the business as "Supun stores." It is **not** an advantage of registering the business name.
- (1) Receiving a legal personality.
 - (2) Provides an identity and recognition
 - (3) Provides a qualification to obtain incentives given by the government.
 - (4) Easy to obtain loans.

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Name/Index No:-..... Business & Accounting Studies - II

- **Answer all the question.**

01. Using following case answer question No. i-x

Tharusha who sat for the G.C.E. (A/L) examination in sciencestream was not selected to the government university. By utilizing the knowledge he gained from studying in the science stream he developed the "Didula LED" bulbs, in various new patterns and in a way that is consumes electricity more effeiently. For this he invested Rs. 100 000 which was given to him by his father (which he need not return) and another Rs. 100 000 through a bank loan which was given by commercial banks under their programme of granting loans to motivate the small and medium scale businesses. Also for the production activities he used a small building not utilized currently which is in the alnd in which Tharusha lives. For the distribu-tion of LED bulbs, Tharusha uses his father's small lorry. (not on a rental basis.)

(1) (i) What is the main objective of Tharusha's business?

(2). Complete following table using the above case.

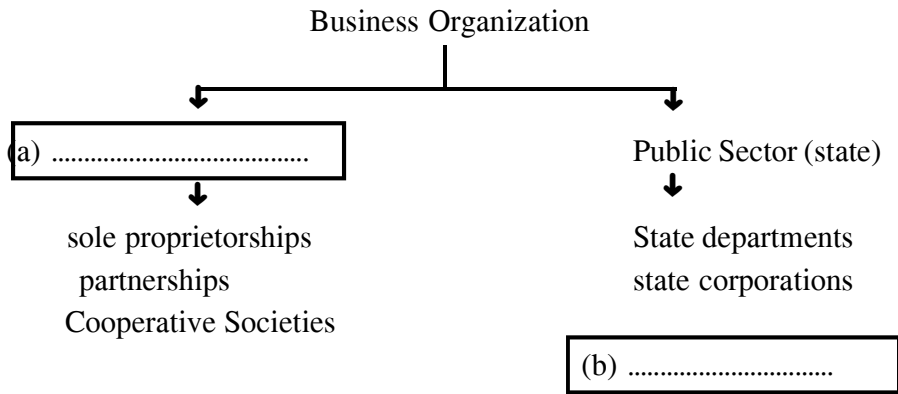
type of good	brand name	reason for the choice
electric bulb	(i)	(ii)

- (3) State 02 items which can be identified as factor of production "Capital" of this business.
- (4) What is the contribution from the government towards Tharusha's business.
- (5) What is the related environment of presenting "LED" bulbs in various new patterns?
- (6) (i) Write an example each for strengths and opportunity of above case.
(ii) Write the related environmental type of above stated strength and opportunity.
- (7) (i) According to the objectives, To what type of business organization that Tharusha's business relates to?
(ii) Classify the above Tharusha's business based on the scale.
- (8) (i) Tharusha is deciding on a name for his business capable of attracting customers.
Suggest a suitable name for the business.
(ii) If the business be registered, name the required 02 reports which should be received from the divisional secretariat office.
- (9) Write 02 advantages can be achieved to the business, if the business name was registiered under the name of above question No 8 - (i)
- (10) Name 02 institutions which should be received loan facilities for enhancing the business.

(2 x 10 = 20 marks)

- (02) (i) Name the 02 main objectives of a business.
- (ii) Piyumi Hansika who participated for the 100m running event, fainted at the inter house Sports meet. The teacher in charge of her house immediately made arrangements to provide her with the first aid. Write a need and a want of above case.
- (iii) Write 02 differences can be seen between needs and wants.
- (iv) State whether the following statements are true or false.
- A - Anything produced by man in order to facilitate manufacturing process is known as "capital"
 - B - Individuals rendering mental efforts like Accountants can be considered as factor of production "labour"
 - C - Owners are the individuals providing resources to the business.
 - D - When presenting a good to the market, It is **not** considered the tastes of consumers
- (v) Tharindu and Supun are conducting a stationary shop by naming "TS book shop" in front of a school. write 02 stake holders of "TS Book shop" (2 × 05 = 10)
- (03) (i) (a) Write 02 state institutions that are established to enact laws and regulations that the government imposes on businesses. (01 mark)
- (b) Define managers as an internal environmental factor.
- (ii) State whether the following statements are true or false. (02 marks)
- A - The owners of a business are classified as a factor of internal environment and the consumers are classified as a factor of external environment ()
 - B - Income distribution is a factor of political environment. ()
 - C - The owners are taking decisions to conduct the business operations. ()
 - D - The registrar of companies is a government officer acting under the rules and regulations of the government. ()
- (iii) Samod who lives in Hikkaduwa area conducts a business by using sea shells with natural raw materials and sells his products to tourists. Ruwini serves as cashier of this business.
- (a) State 02 internal environmental factors of above business. (01 mark)
 - (b) What is the business environment, which belongs to Abhishek, that supplies sea shells-related products to samod's business? (01 mark)
- (iv) Write down 02 changes in businesses due to technological changes. (02 marks)
- (v) Name 02 economic environmental factors and briefly explain one of them. (02 marks)
04. (i) (a) Define sole proprietorship businesses.
- (b) Write a disadvantage of such a business. (02 marks)
- (ii) State whether the following statements are true or false. (02 marks)
- A - It is not mandatory to register of partnerships.
 - B - The minimum number of partners in a partnership is 02 and there is no maximum limit.
 - C - Act No. 17 Of 2007 is affected to the incorporated companies.
 - D - It is mandatory to register the state corporations.

(iii) Fill in the following blanks.



(02 marks)

(iv) Explain the difference between partnership agreement and the partnership deed. (02 marks)

(v) Write 02 advantages can be seen in cooperative societies relatively other business organizations (02 marks)

05. Due to the growth of the business field various factors that should be considered by businessmen when selecting an appropriate type of business organization.

(i) What are the two major types of businesses that can be identified based on the scale? (1 x 2 = 02 marks)

(ii) State whether the following statements are true or false.

- A - Social welfare businesses are conducted under public sector only.
- B - State departments are classified as profit oriented business organizations.
- C - Whatever the objective of a businessmen, they should be selected private sector businesses.
- D - An incorporated company can raise capital by issuing shares. (1/2 x 4 = 02 marks)

(iii) (a) State 02 quantitative criteria that should be considered to classify business organizations according to the scale. (1/2 x 2 = 01 mark)

(b) Within how many days is it required to submit an application to register the business name? (1/2 x 2 = 01 mark)

(iv) Mr. D. A. Perera conducts his business with the name of same.

- (a) Should this business be registered or not? (01 mark)
- (b) give reasons (01 mark)

(v) Name 02 type of business organizations that should be selected, if you are expected to manage the business by more individuals. (1 x 2 = 02 marks)



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 Provincial Department of Education - NWP

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Business & Accounting Studies - Answer Script

Part I

- | | | | |
|---------|---------|---------|---------|
| 01. (3) | 11. (4) | 21. (4) | 31. (1) |
| 02. (2) | 12. (1) | 22. (1) | 32. (4) |
| 03. (1) | 13. (1) | 23. (3) | 33. (3) |
| 04. (4) | 14. (2) | 24. (3) | 34. (3) |
| 05. (1) | 15. (4) | 25. (1) | 35. (3) |
| 06. (2) | 16. (1) | 26. (2) | 36. (3) |
| 07. (3) | 17. (4) | 27. (1) | 37. (4) |
| 08. (4) | 18. (3) | 28. (3) | 38. (1) |
| 09. (2) | 19. (2) | 29. (2) | 39. (3) |
| 10. (3) | 20. (4) | 30. (2) | 40. (1) |

Part II

- (01) (1) (i) Profit oriented
 (ii) Commodity manufacturing business
- (2) (i) Didula bulb
 (ii) less cost of electricity
- (3) cash, building, lorry
- (4) Providing business friendly incentives.
- (5) Technological environment
- (6) (i) Strength : knowledge of manufacturing bulb, experience, financial strength
 Opportunity : obtained a bank loan/incen-tives from government
 (ii) Strengths - internal environment
 Opportunities - external environment
- (7) (i) Profit oriented, private sector, sole propri-etorship
 (ii) Small scale businesses.
- (8) (i) Give marks for any attractive name instead of the owner's full name.
 (ii) * An application form to register the business name.
 * An application form to robtain the required report from Grama Niladhari.
- (9) * Provides an identity and recognition
 * Provides an ownership of the business name.
 * Provides a qualification to obtain incentives given by the government.
- * Easy to obtain loans.
- (10) Commercial banks, cooperative lending societ-ies rural banks... etc. (2 x 10 = 20 marks)
- (02) (1) - earning profit
 - Increasing the customer satisfaction
- (2) Health - need
 first aids - want
- | | | |
|-----|--------------------|-------------------|
| (3) | needs | wants |
| | - essential | - not essential |
| | - being common | - being diverse |
| | - can't be created | - can be created |
| | - being limited | - being unlimited |
| | - being simple | - being complex |
- (4) A - ✓ B - ✓
 C - ✓ D - ✗
- (5) students
 Tharindu & Supun
 owners/partners (2 x 5 = 10 marks)
- (03) (1) (a) Consumer affairs authority
 Central environmental authority
 Labour courts and Labour tribunals.

- (b) Managers are the individuals taking decisions to direct the resources of a business in order to achieve the objectives of its owners.
- (2) (a) ✓ (b) ✗ (c) ✗ (d) ✓
- (3) (a) Owner - Samod
Employee - Ruvini
(b) External environment
- (4) * Use telephones and e-mails instead of the snail mail used in the past.
* Use modern machines instead of the manual weaving machines used in the past.
* growth of the information technology.
- (5) Interest rates, inflation, income, distribution, level of employment, International relations, foreign exchange rate, savings.
(give marks for the description)
To name the factors 01
To the description 01
- (04) (1) (a) Businesses owned by an individual are known as sole proprietorship.
(b) convenient to start
all the profits belong to the owner
privacy of the business information is secured.
ability to use own skills at the best.
Independent decision making
(2 × 01 = 02)
- (2) (a) ✓ (b) ✗
(c) ✗ (d) ✓ (02 marks)
- (3) (a) Private sector
(b) state companies. (02 marks)
- (4) A partnership commences with an agreement among its partners is known as the partnership agreement. This agreement holds in written is known as partnership deed. (02 marks)
- (5) 1. Democratic control
2. Acting of the well being of members.
3. providing various incentives from the government
4. Shared economic benefits (02 marks)
- (05) (1) Small scale businesses
large scale businesses (02 marks)
- (2) (a) ✗ (b) ✗
(c) ✓ (d) ✓
(1/2 × 4 = 02 marks)
- (3) (a) - amount of capital invested
- number of employees
- amount of energy used
- market share of the business.
(1/2 × 2 = 1 mark)
- (b) within 14 days.
- (4) (a) not mandatory (01 mark)
(b) because of the business is conducting by the owner's full name. (01 mark)
- (5) partnerships
Incorporated companies. (1 × 2 = 2marks)