



Department of Examinations - Sri Lanka

G.C.E. (O/L) Examination - 2018

# 60 - Business & Accounting Studies

Marking Scheme



This document has been prepared for the use of Marking Examiners. Some changes would be made according to the views presented at the Chief Examiners' meeting.

Amendments to be included



Department of Examinations - Sri Lanka  
National Evaluation & Testing Service

**G.C.E. (O/L) Examination - 2018**  
**60 - Bussiness & Accounting Studies**

Paper I	01 x 40 marks	<b>Total marks</b>
<b>40</b>		
Paper II	Question number 01 is compulsory	<b>20</b>
<b>marks</b>		

**Part I - Business Studies**

Question no. 02	08 marks	} For any 02 Questions
Question no. 03	08 marks	
Question no. 04	08 marks	
		$2 \times 8 = 16$ marks

**Part II - Accounting**

Question no. 05	12 marks	} For any 02 Questions
Question no. 06	12 marks	
Question no. 07	12 marks	
		$2 \times 12 = 24$ marks

**Total Marsk 60**

**Calculating final marks**

<b>Total Marks for Paper I</b>	<b>=</b>	<b>40</b>
<b>Total Marks for Paper II</b>	<b>=</b>	<b>60</b>
<b>Final Marks</b>	<b>=</b>	<b>100</b>

## Common Techniques of Marking Answer Scripts.

It is compulsory to adhere to the following standard method in marking answer scripts and entering marks into the mark sheets.

1. Use a red color ball point pen for marking. (Only Chief/Additional Chief Examiner may use a mauve color pen.)
2. Note down Examiner's Code Number and initials on the front page of each answer script.
3. Write off any numerals written wrong with a clear single line and authenticate the alterations with Examiner's initials.
4. Write down marks of each subsection in a  $\triangle$  and write the final marks of each question as a rational number in a  $\square$  with the question number. Use the column assigned for Examiners to write down marks.

**Example: Question No. 03**

(i)		✓	$\triangle \frac{4}{5}$
(ii)		✓	$\triangle \frac{3}{5}$
(iii)		✓	$\triangle \frac{3}{5}$

03	(i)	$\frac{4}{5}$	+	(ii)	$\frac{3}{5}$	+	(iii)	$\frac{3}{5}$	=	$\square \frac{10}{15}$
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### MCQ answer scripts: (Template)

1. Mark the correct options on the template according to the Marking Scheme. Cut off the marked windows with a blade. Cut off the cages for Index Number and the number of correct options so as to be able to keep the template correctly on the answer script. Cut off a blank space to the right of each options column to mark the answers. Submit the prepared template to the Chief Examiner for approval.
2. Then, check the answer scripts carefully. If there are more than one or no answers Marked to a certain question write off the options with a line. Sometimes candidates may have erased an option marked previously and selected another option. In such occasions, if the erasure is not clear write off those options too.
3. Place the template on the answer script correctly. Mark the right answers with a 'v' and the wrong answers with a 'X' against the options column. Write down the number of correct answers inside the cage given under each column. Then, add those numbers and write the number of correct answers in the relevant cage.

**Structured essay type and assay type answer scripts:**

1. Cross off any pages left blank by candidates. Underline wrong or unsuitable answers. Show areas where marks can be offered with check marks.
2. Use the right margin of the overland paper to write down the marks.
3. Write down the marks given for each question against the question number in the relevant cage on the front page in two digits. Selection of questions should be in accordance with the instructions given in the question paper. Mark all answers and transfer the marks to the front page, and write off answers with lower marks if extra questions have been answered against instructions.
4. Add the total carefully and write in the relevant cage on the front page. Turn pages of answer script and add all the marks given for all answers again. Check whether that total tallies with the total marks written on the front page.

**Preparation Of Mark Sheets.**

Except for the subjects with a single question paper, final marks of two papers will not be calculated within the evaluation board this time. Therefore add separate mark sheets for each of the question paper. Write paper 01 marks in the paper 01 column of the mark sheet and write them in words too. Write paper II Marks in the paper II Column and right the relevant details. For the subject 43 Art, marks for Papers 01, 02 and 03 should be entered numerically in the mark sheets.

For subjects 21 Sinhala language and literature and 22 Tamil Language and literature, paper I marks once entered numerally should be written in words. For the papers II and III enter the detailed marks separately and put the total in each paper in the relevant column.

Final marks for paper I, paper II or paper III should always be rounded up to the nearest whole number and they should never be kept as decimal values.

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## 60 - Business Studies & Accounting

### Marking Scheme Final Marks

• Paper I	40
• Paper II	
• Question No. 01	20
• Part I question (02 x 08)	16
• Part II question (02 x 12)	24
Total Marks	<b>100</b>

#### Question No

- 01.
- i. 02 marks
  - ii. 02 marks
  - iii. 02 marks
  - iv. 02 marks
  - v. 02 marks
  - vi. 02 marks
  - vii. 02 marks
  - viii. 02 marks
  - ix. 02 marks
  - x. 02 marks

**Total 20 marks**

**Part I**

02. (i) 02 marks  
(ii) 02 marks  
(iii) 02 marks  
(iv) 02 marks

**Total 08 marks**

03. (i) 02 marks  
(ii) 02 marks  
(iii) 02 marks  
(iv) 02 marks

**Total 08 marks**

04. (i) 02 marks  
(ii) 02 marks  
(iii) 02 marks  
(iv) 02 marks

**Total 08 marks****Part II Accounting**

05. (i) 02 marks  
(ii) 02 marks  
(iii) 04 marks  
(iv) 04 marks

**Total 12 marks**

06. (i) 02 marks  
(ii) 02 marks  
(iii) 04 marks  
(iv) 04 marks

**Total 12  
marks**

07. (i) 02 marks  
(ii) 02 marks  
(iii) 08 marks

**Total 12 marks**

සියලු ම හිමිකම් ඇවිරිණි / முழுப் பதிப்புரிமையுடையது / All Rights Reserved

ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව  
 இலங்கைப் பரீட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம்  
 Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka  
 60 E I, II

අධ්‍යයන පොදු සහතික පත්‍ර (සාමාන්‍ය පෙළ) විභාගය, 2018 දෙසැම්බර්  
 கல்விப் பொதுத் தராதரப் பத்திர (சாதாரண தர)ப் பரீட்சை, 2018 டிசெம்பர்  
 General Certificate of Education (Ord. Level) Examination, December 2018

ව්‍යාපාර හා ගිණුම්කරණ අධ්‍යයනය I, II  
 வணிகக் கல்வியும் கணக்கீடும் I, II  
 Business and Accounting Studies I, II

12.12.2018 / 0830 - 1140

පැය තුනයි  
 மூன்று மணித்தியாலம்  
 Three hours

අමතර කියවීමේ කාලය - මිනිත්තු 10 යි  
 மேலதிக வாசிப்பு நேரம் - 10 நிமிடங்கள்  
 Additional Reading Time - 10 minutes

Use additional reading time to go through the question paper, select the questions and decide on the questions that you give priority in answering.

### Business and Accounting Studies I

#### 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 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.

- Answer the questions No. 1 to 5 paying attention to the following case.

Samadhi, who is currently working at Ravimal Company and the best performer at the G.C.E. (A/L) 2017 in Nelumwila Maha Vidyalaya of which new laboratory and buildings were developed by the concept of 'The nearest school is the best', received a letter from University Grant Commission mentioning that she has been selected to the University.

- What is the basic human need satisfied by the Nelumwila Maha Vidyalaya in this case?  
 (1) Health (2) Housing (3) Security (4) Education
- What type of business organization does the University Grant Commission in this case belong to?  
 (1) State Cooperations (2) State Departments  
 (3) State Companies (4) Incorporated Companies
- Select the correct statement regarding the above case.  
 (1) The concept, 'The nearest school is the Best' is an economic environmental factor.  
 (2) Buildings of the school belong to the production factor of land.  
 (3) University Grant Commission is a service providing business.  
 (4) Students of Nelumwila Maha Vidyalaya are an external environmental factor of that school.
- Select the answer which shows the sender, the message, the medium and the receiver related to the communication in the above case in correct order.  
 (1) Samadhi → Samadhi has been selected to the university → Written → University Grant Commission  
 (2) Samadhi → Written → Samadhi has been selected to the university → University Grant Commission  
 (3) University Grant Commission → Samadhi has been selected to the university → Written → Samadhi  
 (4) University Grant Commission → Written → Samadhi has been selected to the university → Samadhi
- Select the correct statement about the Ravimal Company in the above case.  
 (1) Registration of the name of this business is compulsory.  
 (2) This business has a legal entity.  
 (3) The liability of the owner of this business is limited.  
 (4) This business is a public sector business.



6. What is the factor of production that a business which is conducted successfully by a farmer, bearing the loss occurred in floods belongs to?  
 (1) Land (2) Labour (3) Capital (4) Entrepreneurship

7. Increase in the value of the American dollar relative to the value of Sri Lankan rupee, 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.

• Answer the questions No. 8 and 9 using the following case.

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

8. Select the answer which shows the drawee and payee of the cheque respectively.

- (1) Bank of Ceylon and Deepal Samaradivakare
- (2) Deepal Samaradivakare and Bank of Ceylon
- (3) Bank of Ceylon and Subash Kavirathne
- (4) Subash Kavirathne and Deepal Samaradivakare

9. 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.

10. While the first party of insurance is known as .....<sup>①</sup>....., the second party is known as .....<sup>②</sup>.....

Select the answer that shows the suitable terms to ① and ② in the above statement respectively.

- (1) insurer, insured. (2) insured, insurer.
- (3) insurance company, insured. (4) insurer, insurance company.

11. What is the non-electronic signs communication method from the following pictures?



(1)



(2)



(3)



(4)

12. Several incidents related to the transportation and elements of transportation are given in column X and Y respectively.

X	Y
1. Island wide expansion of 1990 ambulance service	A - Way
2. Commencing the constructions of Northern Express-way	B - Mode
3. Renovation of central bus stand in Pettah	C - Power
4. Adjusting the oil prices based on the crude oil price in world market.	D - Terminal

Select the answer in which the above incidents in column X have been matched with the elements of transportation in column Y in correct order.

- (1) A, B, D and C (2) B, A, C and D (3) B, A, D and C (4) B, C, A and D

- Answer the questions No. 13 and 14 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.

13. Two management functions in the above case are  
 (1) planning and leading. (2) planning and organizing.  
 (3) organizing and controlling. (4) leading and organizing.
14. Two variables of marketing mix mentioned in the above case are  
 (1) promotion and product. (2) promotion and place.  
 (3) product and place. (4) product and price.
15. Select the **incorrect** statement regarding treasury bills.  
 (1) An investor can purchase treasury bills from primary dealers.  
 (2) Treasury bills are a risk free investment.  
 (3) Treasury bills used to fulfil the long term financing requirement of the government.  
 (4) Treasury bills have an absolute government security.
16. An investor expects high returns by investing in ordinary shares than investing in treasury bills. The reason for this is  
 (1) low risk of ordinary shares. (2) high risk of ordinary shares.  
 (3) high interest income of ordinary shares. (4) high government security of ordinary shares.
17. 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
18. Because of paying employee salaries of Rs. 8 000 in a business  
 (1) assets decrease by Rs. 8 000 and equity decreases by Rs. 8 000  
 (2) assets decrease by Rs. 8 000 and equity increases by Rs. 8 000  
 (3) assets increase by Rs. 8 000 and liabilities increase by Rs. 8 000  
 (4) equity decreases by Rs. 8 000 and liabilities increase by Rs. 8 000
19. The equity of Kasun's business as at 01.01.2018 was Rs. 150 000, while equity as at 31.01.2018 was Rs. 170 000. If only one transaction occurred during that period, the transaction is  
 (1) employing the capital of Rs. 170 000.  
 (2) obtaining goods of Rs. 20 000 by the owner for his personal use.  
 (3) selling a stock of goods for Rs. 40 000 on credit which cost Rs. 60 000.  
 (4) selling a stock of goods for Rs. 60 000 in cash which cost Rs. 40 000.
20. A transaction occurred in a business and the incomplete double entry used to record it are given below.
- Receiving of Rs. 22 000 in cash from a debtor to paid off the balance of Rs. 25 000.

	Rs.	
Cash account	Dr.	22 000
①	account Dr.	②
Debtors account	Cr.	③

Select the answer that shows the correct terms for above ①, ② and ③ in correct order.

- (1) Discounts allowed, Rs. 3 000 and Rs. 25 000  
 (2) Discounts received, Rs. 3 000 and Rs. 25 000  
 (3) Discounts allowed, Rs. 3 000 and Rs. 22 000  
 (4) Discounts received, Rs. 3 000 and Rs. 22 000

21. Select the correct statement from the following related to the principle of double entry.  
The principle of double entry,
- (1) increases debit decreases credit is relevant to the liabilities accounts.
  - (2) increases debit decreases credit is relevant to the equity accounts.
  - (3) increases credit decreases debit is relevant to the income accounts.
  - (4) increases credit decreases debit is relevant to the assets accounts.

- Use the following information to answer the questions No. 22 and 23.

Some transactions occurred in Pasindu Book Publishers are as follows.

- A - Purchasing a printing machine of Rs.250 000 on credit
- B - Purchasing printing papers of Rs.50 000 from Ruwan on credit
- C - Purchasing furniture of Rs.100 000 from Moratu Furniture Company on credit
- D - Selling a stock of books for Rs.160 000 on credit which cost Rs.100 000

22. The transaction recorded in purchases journal is  
(1) A.                      (2) B.                      (3) C.                      (4) D.
23. Select the answer that shows the source documents for above A, B and D transactions in correct order.  
(1) Journal voucher, Sales invoice and Purchase invoice  
(2) Journal voucher, Purchase invoice and Sales invoice  
(3) Payment voucher, Purchase invoice and Sales invoice  
(4) Purchase invoice, Journal voucher and Sales invoice
24. The credit balance of the bank statement of Kapila's business for the month of October 2018 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.
- Answer the questions No. 25 and 26 using the following information.
- The petty cash balance with petty cashier of Sandun's business as at 31.07.2018 was Rs.2 500.
- Following are the balances of analysis columns of petty cash book for the month of July 2018.
- |                        |          |
|------------------------|----------|
| Stationery             | Rs.2 500 |
| Travelling expenses    | Rs.1 800 |
| Refreshment expenses   | Rs.2 000 |
| Miscellaneous expenses | Rs.1 200 |
- Sandun decided to increase the value of the petty cash imprest up to Rs.15 000 from 01.08.2018.
25. The value of the petty cash expenses for the month of July 2018 in this business is  
(1) Rs.2 500.                      (2) Rs.7 500.                      (3) Rs.10 000.                      (4) Rs.15 000.
26. The value of the petty cash reimbursement as at 01.08.2018 is  
(1) Rs.2 500.                      (2) Rs.5 000.                      (3) Rs.12 500.                      (4) Rs.15 000.
27. Select the answer which shows the source document and prime entry book used in recording the employing of additional capital of Rs. 5 000 by the owner in correct order.  
(1) Cash book and receipt.                      (2) General journal and receipt.  
(3) Receipt and general journal.                      (4) Receipt and cash book.
28. Total of the debit column was Rs.800 000 and the credit column was Rs.825 000 in a trial balance prepared as at 31.03.2018 in a business. An accounting error caused to this difference is  
(1) increasing the total of discounts allowed account by Rs.25 000.  
(2) increasing the total of sales account by Rs.25 000.  
(3) increasing the total of purchases account by Rs.25 000.  
(4) decreasing the total of discounts received account by Rs.25 000.

29. The stock of Rs.45 000 purchased by a business from Sumanadasa on credit has been recorded in Sumanadasa's account as Rs.54 000. The prime entry book to rectify this error is
- (1) general journal. (2) purchases journal.  
 (3) cash book. (4) sales journal
30. From the following transactions of Sesatha's sports Club, the one which is not included in the income and expenditure account is
- (1) receipts of Rs. 1000 from selling news papers.  
 (2) purchasing sports equipment of Rs.15 000.  
 (3) donations received of Rs.5 000.  
 (4) paid transportation expenses of Rs.2 500.
31. Total production cost of a business which produced flower pots for the month of October 2018 was Rs.150 000, while the number of flower pots produced during the month was 500. If 20% profit margin is kept on production cost of a flower pot, the selling price of a flower pot is
- (1) Rs.240. (2) Rs.300. (3) Rs.360. (4) Rs.500.
32. Some expenditure items of production businesses and some elements of production cost are given in column X and Y respectively.

X	Y
1. Electricity expense of a roof tile production business	A – Indirect labour cost
2. Wages of dress makers of a garment factory	B – Direct other cost
3. Wage of the watcher of a foot ware production business.	C – Direct labour cost
4. Royalty of a book publisher.	D – Indirect other cost

What is the answer when the above expenditure items in column X are matched with the elements of production cost in column Y in correct order?

- (1) B, A, C and D (2) B, C, A and D (3) D, C, A and B (4) D, C, B and A
33. Kumudu invested Rs.100 000 earned from her business on 01.04.2017 in a fixed deposit at a 12% annual interest rate. The annual interest is to be received on 31.03.2018. According to the financial statements of this business prepared for the year ended 31.12.2017,
- (1) interest income in income statement is Rs.12 000.  
 (2) interest income receivable in Financial position statement is Rs.12 000.  
 (3) interest income receivable in financial position statement is Rs.9 000.  
 (4) interest income receivable in financial position statement is Rs.3 000.
34. A business has purchased a machine of Rs.500 000 on 01.01.2016. The effective life time of the machine is 5 years. At the end of the life time, the scrap value of the machine is Rs.50 000. The amount of the depreciation of the machine shown in income statement of the business prepared for the year ended 31.12.2017 is
- (1) Rs.90 000. (2) Rs.100 000. (3) Rs.180 000. (4) Rs.320 000.

- Use the following information to answer the questions No. 35 to 40.

Following are a few balances extracted from the trial balance of Janaka's business as at 31.12.2017.

	Rs.
Capital .....	300 000
Stock (as at 01/01/2017) .....	40 000
Sales .....	250 000
Purchases .....	150 000
Carriage inwards .....	3 000
Debtors .....	35 000
Insurance expenses .....	18 000
Administrative salaries .....	26 000
Financial expenses .....	4 000
Discounts received .....	2 000
Other income .....	5 000
Discounts allowed .....	10 000

Additional information:

- \* The annual insurance fee for the year of 2017 is Rs.20 000.
- \* Rs 3 000 of debtors should be written off as bad debts.
- \* Cost of stock as at 31.12.2017 is Rs.30 000.

35. Cost of sales for the year ended 31.12.2017 is  
 (1) Rs.87 000.      (2) Rs.120 000.      (3) Rs.160 000.      (4) Rs.163 000.
36. The gross profit of the business for the year ended 31.12.2017 is  
 (1) Rs.87 000.      (2) Rs.90 000.      (3) Rs.130 000.      (4) Rs.163 000.
37. The amount of insurance paid in cash of this business for the year ended 31.12.2017 is  
 (1) Rs.2 000      (2) Rs.18 000      (3) Rs.20 000.      (4) Rs.22 000.
38. The amount of debtors in financial position statement of this business as at 31.12.2017 is  
 (1) Rs.3 000.      (2) Rs.32 000.      (3) Rs.35 000.      (4) Rs.38 000.
39. The net profit of this business for the year ended 31.12.2017 is  
 (1) Rs.31 000.      (2) Rs.33 000.      (3) Rs.36 000.      (4) Rs.38 000.
40. Total equity of the owner of this business as at 31.12.2017 is  
 (1) Rs.331 000.      (2) Rs.333 000.      (3) Rs.336 000.      (4) Rs.338 000.

\* \*

ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව  
 இலங்கைப் பரீட்சைத் திணைக்களம்  
 අ.පො.ස.(සා.පෙළ) විභාගය - 2018  
 க.பொ.த (சா.தர)ப் பரீட்சை - 2018

රහස්‍යයි

Subject No.

60

பாட இலக்கம்

Subject

Business &amp; Accounting Studies

பாடம்

Paper I - Answers

புத்திரம் - விடைகள்

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

විශේෂ උපදෙස් } එක් පිළිතුරකට ලකුණු  
 විශේෂ අறிවුණු අවස්ථාව } ඉන් එකකට පමණක් ලකුණු

01

බැගින්  
 புள்ளி வீதம்

මුළු ලකුණු/ மொத்தப் புள்ளிகள் 01 X 40 = 40

පහත නිදසුනෙහි දැක්වෙන පරිදි බහුවරණ උත්තරපත්‍රයේ අවසාන තීරුවේ ලකුණු ඇතුළත් කරන්න.  
 கீழ் குறிப்பிடப்பட்டிருக்கும் உதாரணத்திற்கு அமைய பல் தேர்வு வினாக்களுக்குரிய புள்ளிகளை பல் தேர்வு  
 வினாப்பத்திரத்தின் இறுதியில் பதிக.

නිවැරදි පිළිතුරු සංඛ්‍යාව  
 சரியான விடைகளின் தொகை

25

40

I පත්‍රයේ මුළු ලකුණු  
 புத்திரம் I இன் மொத்தப் புள்ளி

25

40