

අධ්‍යයන පොදු සහතික පත්‍ර (සාමාන්‍ය පෙළ) විභාගය, 2025(2026)
கல்விப் பொதுத் தராதரப் பத்திர (சாதாரண தர)ப் பரீட்சை, 2025(2026)
General Certificate of Education (Ord. Level) Examination, 2025(2026)

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

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 to in answering.

Business and Accounting Studies I

Instructions:

- * 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 given answer sheet.
- * Further instructions are given on the back of the answer sheet. Follow them carefully.

- Answer the questions No. 1 to 5 using the following case.

Sahan rented a building in Amaraduwa town and runs a telephone service business called 'Yathra'. Divisional secretariat office, Amaraduwa Maha Vidyalaya and Amaraduwa Multipurpose cooperative society are situated near it.

1. What is the human need satisfied by Yathra business?
 - (1) Transportation
 - (2) Telephone service
 - (3) Entertainment
 - (4) Communication
2. The non for profit, private sector business organization is
 - (1) Yathra business.
 - (2) Amaraduwa Maha Vidyalaya.
 - (3) Amaraduwa Divisional Secretariat office.
 - (4) Amaraduwa Multipurpose cooperative society.
3. An advantage of the type of business organization that Sahan's Yathra business belongs, is that
 - (1) Sahan's liability is unlimited.
 - (2) Sahan's financial strength is limited.
 - (3) Sahan can take decisions independently.
 - (4) there is no continued existence to Sahan's business.
4. Amaraduwa Maha Vidyalaya is
 - (1) a strength to Sahan's Yathra business.
 - (2) a weakness to Sahan's Yathra business.
 - (3) an opportunity to Sahan's Yathra business.
 - (4) a threat to Sahan's Yathra business.
5. Select the correct statement according to the above case.
 - (1) Sahan is an internal environment factor in Yathra business.
 - (2) There is a continued existence to Yathra business.
 - (3) Amaraduwa Divisional Secretariat office is a for profit organization.
 - (4) The building where Yathra business is run, belongs to the capital which is a factor of production in that business.

6. Selling tea produced in Sri Lanka to middle-east countries is ① trade and purchasing petroleum from middle east countries is ② trade.
Select the answer that indicates the correct terms to the place ① and ② in this statement respectively.
- (1) import, export (2) export, import
(3) export, foreign (4) foreign, export
7. A specific feature of licensed commercial banks than the other banks is
- (1) maintaining current accounts. (2) maintaining savings accounts.
(3) maintaining fixed deposit accounts. (4) giving loans on deposits.
8. What is firstly mentioned in Magnetic Ink Character Recognition (M.I.C.R.) space in cheques issued by commercial banks?
- (1) Cheque number (2) Bank number
(3) Bank account number (4) Bank branch number
9. Following is a headline published in a newspaper.
"A bus travelling on express way is on fire."
Select the answer which correctly indicates the elements of transportation in this newspaper headline.
- (1) The way and the bus (2) The way and the terminal
(3) The way and the mode (4) The mode and the bus
10. Rayan goes to his work place with his wife Sanduni in his motor vehicle. This motor vehicle has been insured in Suhada insurance company limited.
Select the answer indicated the second and the third parties related to the insurance in this case respectively.
- (1) Rayan and Sanduni
(2) Rayan and Suhada insurance company limited
(3) Suhada insurance company limited and motor vehicle
(4) Suhada insurance company limited and Sanduni
- Answer the questions No. 11, 12 and 13 using the following information.
Nadeemal who runs a business of selling (1) **modern mobile phones** decided to print and distribute (2) **a leaflet** with the statement (3) "**A price reduction!** Come to the shop." for increasing the sale.
11. The variables in the marketing mix indicated from bolded words (1), (2) and (3) in the above case respectively are
- (1) promotion, price and promotion. (2) product, price and place.
(3) product, promotion and price. (4) place, promotion and price.
12. The management function in the above case is
- (1) planning. (2) organizing. (3) leading. (4) controlling.
13. What is the answer indicates an internal and an external environment factor in Nadeemal's business respectively?
- (1) Nadeemal and mobile phones (2) Business and Nadeemal
(3) Nadeemal and those who come to the shop (4) Price and those who come to the shop
14. Select the correct statement about wholesale trade.
- (1) Only a few goods can not be sold at the wholesale trade.
(2) Wholeseller maintains a direct relationship with the retailer.
(3) Wholeseller sells goods or services for final consumption.
(4) Wholesale stores should be in a place, very close to the consumers.

[see page three]

15. The following are two management functions.

A - Giving instructions to employees to improve the quality of products in the business

B - Deciding to create a friendly environment to employees for working efficiently

The above two functions belong respectively

- | | |
|-----------------------------------|-------------------------------------|
| (1) to planning and to leading. | (2) to leading and to planning. |
| (3) to leading and to organizing. | (4) to controlling and to planning. |

16. Many persons prefer to deposit their money in Savings accounts. The reason affected mostly for this is

- (1) receiving a full security of the government.
- (2) receiving a high interest income.
- (3) having higher returns than the other methods of investments.
- (4) being able to withdraw money at any time.

17. 'Accounting' is

- (1) recording financial transaction occurred in a business in books.
- (2) reporting necessary transactions for calculating the result in a business.
- (3) providing various information for required decision making to the interested parties of the business.
- (4) a process of providing information for required decision making to the interested parties of the business.

18. A non current liability of a business is

- | | |
|-----------------|----------------------------------|
| (1) capital. | (2) creditors. |
| (3) bank loans. | (4) payable electricity charges. |

19. An account related to the principle of double entry increases credit, decreases debit is

- | | |
|---------------------------------|-----------------------|
| (1) discount received account. | (2) drawings account. |
| (3) bank loan interest account. | (4) building account. |

20. The source document used for recording purchasing a stock of trading goods of Rs.25 000 in cash in Smaeer's business is

- | | | | |
|--------------|----------------------|-----------------------|----------------------|
| (1) receipt. | (2) payment voucher. | (3) purchase invoice. | (4) journal voucher. |
|--------------|----------------------|-----------------------|----------------------|

21. What **cannot** be seen in a cash book prepared by a business?

- | | |
|--------------------------|-----------------------------|
| (1) Ledger folio numbers | (2) Payment voucher numbers |
| (3) Receipts numbers | (4) Invoice numbers |

22. What is the transaction recorded in the purchases journal by a furniture trading business?

- (1) Purchasing chairs of Rs.50 000 in cash
- (2) Purchasing tables of Rs.60 000 from Ruwan on credit
- (3) Purchasing a wood almirah of Rs.75 000 for the use of the business on credit
- (4) Taking a bed of Rs.80 000 from the business for personal use of the owner

23. The transaction which decreases the values of both assets and liabilities of accounting equation in a business is

- (1) receiving Rs.8 000 from a debtor.
- (2) purchasing a stock of goods of Rs.30 000 on credit.
- (3) paying Rs.10 000 to a creditor.
- (4) paying bank loan interests of Rs.4 000.

24. Purchasing a computer of Rs.130 000 in cash for office use in a business affects

- | | |
|-----------------------------|--|
| (1) only to assets. | (2) to assets and liabilities. |
| (3) to assets and expenses. | (4) to assets, equity and liabilities. |

25. As Sandun sold a stock of goods of Rs.25 000 to Rs.30 000 on credit,
 (1) assets and equity of his business decrease by only Rs.5 000.
 (2) assets and equity of his business increase by only Rs.5 000.
 (3) assets and liability of his business decrease by only Rs.30 000.
 (4) assets and equity of his business increase by only Rs.30 000.
26. When Chamara purchased a stock of goods of Rs.10 000 from Sahan in cash, he received a 5% trade discount. Select the correct double entry related to this transaction.
 (1) Purchase account Dr. Rs.10 000
 Sahan's account Cr. Rs. 9 500
 Discount received account Cr. Rs. 500
 (2) Purchase account Dr. Rs.10 000
 Cash account Cr. Rs. 9 500
 Discount received account Cr. Rs. 500
 (3) Purchase account Dr. Rs. 9 500
 Sahan's account Cr. Rs. 9 500
 (4) Purchase account Dr. Rs.9 500
 Cash account Cr. Rs. 9 500
27. The total of analysis columns in petty cash book of Ravi's business was Rs.9 500 as at 31.12.2025 and its balance was Rs.500 on that day. Ravi decided to increase the petty cash imprest by Rs.2 000 since 01.01.2026.
 The amount given for reimbursing the petty cash on 01.01.2026 is
 (1) Rs.2 500. (2) Rs.10 000. (3) Rs.11 500. (4) Rs.12 000.
28. After receiving the bank statement, when adjusting the bank account of the business, an item recorded in the debit side of that account is
 (1) bank charges.
 (2) bank loan installments.
 (3) direct remittances of debtors.
 (4) cheques issued but not presented to the bank.
29. A reason for that the balance of bank account of the business increases than to the balance of bank statement sent by the bank is
 (1) remittances received to the bank directly.
 (2) insurance charges paid by the bank on standing orders.
 (3) investment income received to the bank directly.
 (4) cheques issued but not presented to the bank.
30. An error which does **not** affect to the balance of trial balance from the errors occurred at accounting in a business is that
 (1) traveling expenses of Rs.5 000 was recorded twice in that account.
 (2) Rs.10 000 paid to Saman was recorded only in cash book.
 (3) a stock of goods purchased at Rs.75 000 was recorded as Rs.57 000 in purchase account.
 (4) Rs.30 000 received from Amith was recorded in the credit side of Amal's account.
31. Select the relevant journal entry to correct the error of debeting Rs.10 000 received from debtor Saman to Saman's account.
 (1) Saman's account Dr. Rs.10 000
 Suspense account Rs. 10 000
 (2) Suspense account Dr. Rs.10 000
 Saman's account Rs.10 000
 (3) Saman's account Dr. Rs.20 000
 Suspense account Rs. 20 000
 (4) Suspense account Dr. Rs.20 000
 Saman's account Rs.20 000

- Answer the questions No. 32 and 33 using the following information.

Following are expenses for producing 1000 dresses in a children's dress making business.

	Rs.
For cloth and thread	100 000
Dress maker's salary	60 000
Electricity expenses	25 000
Building rent	15 000
Watcher's salary	40 000
Depreciation of machines	10 000

32. Production overhead cost of this business is

(1) Rs. 50 000. (2) Rs. 90 000. (3) Rs. 160 000. (4) Rs. 250 000.

33. Production cost of a children dress produced in this business is

(1) Rs. 50. (2) Rs. 90. (3) Rs. 160. (4) Rs. 250.

34. The number of members of Suhada sports club is 80. The monthly membership fee is Rs. 100 per member. Only 50 members had paid the annual membership fees during the year ending 31.12.2025. Other members had not paid any money.

The membership fees recorded in the Receipt and Payment account for the year ending 31.12.2025 is

(1) Rs. 5 000. (2) Rs. 8 000. (3) Rs. 60 000. (4) Rs. 96 000.

- Answer the questions No. 35 to 40 using the following information.

The trail balance of Rizan's business as at 31.12.2025 is as follows:

	Debit (Rs.)	Credit (Rs.)
Purchases	2 000 000	
Sales		3 400 000
Stock as at 01.01.2025	100 000	
Buildings at cost 01.01.2025	2 500 000	
Motor vehicles at cost 01.01.2025	1 000 000	
10% Bank loan		500 000
Debtors	100 000	
Creditors		80 000
Advertisement expenses	80 000	
Employees' salary	100 000	
Bank loan interest	10 000	
Electricity expenses	60 000	
Capital (as at 01.01.2025)		2 000 000
Discount received		20 000
Cash	50 000	
	<u>6 000 000</u>	<u>6 000 000</u>

Additional Information:

- Stock as at 31.12.2025 is Rs. 900 000.
- Payable electricity as at 31.12.2025 is Rs. 20 000.
- Buildings should be depreciated by 8% annually on straight line method.

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35. The gross profit of Rizan's business for the year ended 31.12.2025 is
(1) Rs. 1 200 000. (2) Rs. 1 300 000. (3) Rs. 1 400 000. (4) Rs. 2 200 000.
36. The total of establishment and administration expenses included in the Income Statement in Rizan's business for the year ended 31.12.2025 is
(1) Rs. 320 000. (2) Rs. 360 000. (3) Rs. 380 000. (4) Rs. 460 000.
37. The total of all expenses include in the Income Statement in Rizan's business for the year ended 31.12.2025 is
(1) Rs. 450 000. (2) Rs. 490 000. (3) Rs. 510 000. (4) Rs. 560 000.
38. The net profit of Rizan's business for the year ended 31.12.2025 is
(1) Rs. 930 000. (2) Rs. 1 690 000. (3) Rs. 1 710 000. (4) Rs. 1 720 000.
39. Net book value of non current assets in Rizan's business as at 31.12.2025 is
(1) Rs. 3 500 000. (2) Rs. 3 300 000. (3) Rs. 3 250 000. (4) Rs. 2 300 000.
40. The equity of Rizan's business as at 31.12.2025 is
(1) Rs. 3 720 000. (2) Rs. 3 710 000. (3) Rs. 3 690 000. (4) Rs. 2 930 000.

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வணிகக் கல்வியும் கணக்கிடும் I, II
Business and Accounting Studies I, II

Business and Accounting Studies II

Instructions :

- * Including question No. 1 answer five questions selecting two questions from each of the parts I and II
- * As instructed, answer five questions only. Any extra questions answered, if not struck off by the candidate himself/herself, will be crossed out by the examiner, without being marked.

1. Using the following case, answer the questions No. (i) to (x).

Thilina Perera who worked as a technician in a firm, started a business for repairing technical equipment named as 'Thilina business' by investing his own money Rs. 700 000, computer of Rs. 216 000 and tools and equipment of Rs. 24 000 on 01.01.2026. On the same day, he obtained a bank loan of Rs. 200 000 at 6% interest per annum. Any other transaction was not occurred on that day.

Thilina Perera recruited Charith who had completed an Information Technology course and Kavindu who had no any training or working experience to give monthly salaries of Rs. 50 000 and Rs. 20 000 respectively as employees in the business.

Following are the transactions occurred during the month of January 2026 in Thilina business.

	Rs.
Receipts from repairing technical equipment	600 000
Expenses related to the repairing during the month	250 000
Paying monthly electricity charges	5 000
Paying monthly insurance charges	2 000
Paying monthly rent	12 000
Paying employees salaries - Charith	40 000
- Kavindu	20 000
Purchasing furniture from Sahan furnitures on credit on 31.01.2026	200 000

Thilina business advertises the business through social media, takes orders online and repairs the technical equipment by going door to door as well as in the business place.

Thilina Perera always finds out employees' activities and gives them necessary instructions. He expects to do repairing of all technical equipment in quality, for a reasonable price and on time.

Additional information:

- The useful life of computer has been estimated as 6 years.
- Tools and equipment should be depreciated at 10% per annum on straight line method.

- (a) What type of business does 'Thilina business' belong to based on the nature of product?
(b) Should the name of Thilina business be registered? Write the reason for it.
- (a) Write a strength and a weakness of 'Thilina business' separately.
(b) Name two supporting services gained by 'Thilina business' and write an example for each of them using the case.

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අධ්‍යයන පොදු සහතික පත්‍ර (සාමාන්‍ය පෙළ) විභාගය, 2025(2026)
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ව්‍යාපාර හා ගිණුම්කරණ අධ්‍යයනය I, II
வணிகக் கல்வியும் கணக்கீடும் I, II
Business and Accounting Studies I, II

Business and Accounting Studies II

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1. Using the following case, answer the questions No. (i) to (x).

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Thilina Perera recruited Charith who had completed an Information Technology course and Kavindu who had no any training or working experience to give monthly salaries of Rs. 50 000 and Rs.20 000 respectively as employees in the business.

Following are the transactions occurred during the month of January 2026 in Thilina business.

	Rs.
Receipts from repairing technical equipment	600 000
Expenses related to the repairing during the month	250 000
Paying monthly electricity charges	5 000
Paying monthly insurance charges	2 000
Paying monthly rent	12 000
Paying employees salaries - Charith	40 000
- Kavindu	20 000
Purchasing furniture from Sahan furnitures on credit on 31.01.2026	200 000

Thilina business advertises the business through social media, takes orders online and repairs the technical equipment by going door to door as well as in the business place.

Thilina Perera always finds out employees' activities and gives them necessary instructions. He expects to do repairing of all technical equipment in quality, for a reasonable price and on time.

Additional information:

- The useful life of computer has been estimated as 6 years.
- Tools and equipment should be depreciated at 10% per annum on straight line method.

- (i) (a) What type of business does 'Thilina business' belong to based on the nature of product?
(b) Should the name of Thilina business be registered? Write the reason for it.
- (ii) (a) Write a strength and a weakness of 'Thilina business' separately.
(b) Name two supporting services gained by 'Thilina business' and write an example for each of them using the case.

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
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60 E I, II

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வணிகக் கல்வியும் கணக்கீடும் I, II
Business and Accounting Studies I, II

Business and Accounting Studies II

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Additional information:

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- Tools and equipment should be depreciated at 10% per annum on straight line method.

- (i) (a) What type of business does 'Thilina business' belong to based on the nature of product?
(b) Should the name of Thilina business be registered? Write the reason for it.
- (ii) (a) Write a strength and a weakness of 'Thilina business' separately.
(b) Name two supporting services gained by 'Thilina business' and write an example for each of them using the case.

- (iii) (a) Write an example for each of the following factors of production related to 'Thilina business'.
1. Labour
 2. Capital
- (b) State the management function that each of the following business activities included in the above case belongs to.
1. Recruiting Charith and Kavindu as employees to the business
 2. Thilina always finds out business activities
- (iv) (a) Write **two** activities belong to marketing in Thilina business.
- (b) Name an investing method included in the case and state a return gained from that.
- (v) Write the accounting equation of Thilina business with values as at 01.01.2026.
- (vi) (a) Write **two** source documents used by Thilina business.
- (b) Write a transaction in the case for each of source documents named in above (vi) (a).
- (vii) Calculate the cash balance of Thilina business as at 31.01.2026.
- (viii) Calculate the depreciation of each the computer and the tools and equipment in Thilina business for the month ended 31.01.2026 separately.
- (ix) Write the expenses with values indicated in Income Statement in Thilina business for the month ended 31.01.2026.
- (x) State the total amount of the following items in Thilina business as at 31.01.2026.
- (a) Total assets
 - (b) Current liabilities
- (02 × 10 = 20 marks)

Part I - Business Studies
(Answer **two** questions only.)

2. (i) Write **two** differences between a sole-proprietorship and a partnership. (02 marks)
- (ii) State whether the following statements are **true** or **false**.
- (a) Wants are the different ways of satisfying needs.
 - (b) Financial institutions interest in businesses to collect the loans.
 - (c) Partnerships can appear as a person in front of the law.
 - (d) Infrastructure development policies taken by the government of a country belong to legal environment. (02 marks)
- (iii) A training workshop needed to enter to self employment path for school leavers, organized by the principal of Kotuwewa Maha Vidyalaya was conducted by the Vocational Training Authority.
- (a) Write an internal environment factor and an external environment factor of Kotuwewa Maha Vidyalaya in this statement respectively.
 - (b) Name the type of business organization that each of the following public sector institutions in this statement belong to.
1. Kotuwewa Maha Vidyalaya
 2. Vocational Training Authority (02 marks)
- (iv) Following are two incidents related to Trade.
- A – Dasun purchasing 10 bags of cement from Sumathi Hardware to repair his house
- B – Jayasinghe Traders selling a stock of rice of Rs.15 000 to 'Nelum Kole' canteen to prepare packets of food and sell
- (a) Name a retailer and a wholeseller included in the above two incidents respectively.
 - (b) State **two** parties interested in Nelum Kole canteen. (02 marks)
- (Total 08 marks)

3. (i) Write **two** similarities of a debit card and a credit card. (02 marks)
- (ii) State whether the following statements are **true** or **false**.
- (a) The principle, indemnity is relevant to property insurance.
 - (b) Cheque books are issued by licensed commercial banks.
 - (c) Internal communication is exchanging messages and information by using various media in an institution.
 - (d) Roads used for transportation belongs to the element of transportation, mode. (02 marks)
- (iii) Asitha Diwakara purchased a stock of goods of Rs. 50 000 from Nimal Perera on 30.01.2026. A crossed cheque of Maharagama Bank of Ceylon was written and given to Nimal Perera by the management assistant, Kamal Fernando.
- Answer the following questions using the above information.
- (a) Name the drawer and the drawee of this cheque respectively.
 - (b) Can this cheque be cashed from the bank counter? Write the reason for your answer. (02 marks)
- (iv) While Kumara was driving his vehicle on express way, he met with an accident and his car which had been insured to Rs. 5 000 000 was damaged. At this moment, an agent of the insurance company where Kumara's vehicle was insured came to that place coincidentally, inquired about the accident and informed that a compensation of Rs. 3 000 000 can be paid for that.
- (a) Name the transportation mode and the communication medium in this incident.
 - (b) State the reason for that insurance company said that only Rs. 3 000 000 can be paid as the compensation and the principle of insurance related to this. (02 marks)
- (Total 08 marks)
4. (i) What is 'controlling' in management? (02 marks)
- (ii) State whether the following statements are **true** or **false**.
- (a) Management process is operated in every institution.
 - (b) The institution can control the variables of marketing mix.
 - (c) The Central bank of Sri Lanka issues treasury bills to fulfill long term financial needs of the government.
 - (d) Opening a fixed deposit in a bank is a more risk investment method than purchasing ordinary shares in Colombo stock market. (02 marks)
- (iii) Following are some activities in a business of manufacturing and selling furnitures.
- A - Giving 20% discount when purchasing furniture more than values of Rs. 50 000 at once
 - B - Manufacturing furniture in modern designs
 - C - Donating 20 chairs with the name of the business to a hospital
 - D - Running two shops to sell the furnitures of the business
- State the variable of marketing mix related to each above activity. (02 marks)
- (iv) Self-employed Samadi, has invested her own money Rs. 500 000 as follows.
- A - Buying 2 000 ordinary shares each at Rs. 100 from Agra company PLC
 - B - Buying treasury bills of Rs. 300 000 with maturity period of one year from People's bank
- (a) State separately a return that Samadi can gain from each investment method respectively.
 - (b) Name the lowest risk investment method from the above two investment methods and write the reason for that. (02 marks)
- (Total 08 marks)

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- (a) State separately a return that Samadi can gain from each investment method respectively.
 - (b) Name the lowest risk investment method from the above two investment methods and write the reason for that. (02 marks)
- (Total 08 marks)

Part II - Accounting
(Answer two questions only.)

5. (i) Write **two** benefits that a business can gain by using source documents in accounting. (02 marks)
- (ii) Write **four** transactions with values that are recorded in the debit side of cash book in a business. (02 marks)
- (iii) Following is the impact of two transactions on the accounting equation in Malan's business.

Transaction No.	Assets =		Equity (Rs.)	+ Liabilities	
	Stocks (Rs.)	Cash (Rs.)		Creditors (Rs.)	Bank loan (Rs.)
(1)	+ 25 000			+ 25 000	
(2)		- 20 000			- 20 000
(3)					
(4)					

Required :

- (a) Writing the above transactions No.(1) and (2) with values
- (b) Indicating how to affect the following transactions No. (3) and (4) to the accounting equation of Malan's business according to the above format
- (3) Selling goods of Rs.30 000 at Rs.35 000 in cash
- (4) Paying insurance charges of Rs.10 000 in the business (04 marks)
- (iv) Following are purchases occurred in Jeevan's business during the month of December 2025.
- 02.12.2025 - Goods purchased from Namal Rs. 75 000 under invoice No: 118
- 10.12.2025 - Goods purchased from Sahan Rs. 50 000 under invoice No: 120
- 15.12.2025 - Goods purchased in cash from Suhada Traders Rs. 60 000 under paying voucher No: 113
- 21.12.2025 - Goods purchased from Kamal Rs. 30 000 under invoice No: 202 Trade discount is 10%
- 28.12.2025 - Goods purchased from Super House Rs. 20 000 under paying voucher No: 115

Required :

- (a) Preparing the Purchase journal in Jeevan's business for the month of December 2025
- (b) Preparing the Purchase account in Jeevan's business and indicate the total amount of purchases as at 31.12.2025 (04 marks)
- (Total 12 marks)**
6. (i) Mention **two** situations where the bank dishonours cheques. (02 marks)
- (ii) The expenses to produce 1000 potato toffee packets during a month in Sandun's business are given below.

	Rs.
Potatoes.....	29 000
Sugar.....	6 000
Electricity expenses	5 000
Potato toffee maker's salary	20 000
Other indirect expenses.....	8 500

Additional Information :

- The cost of potato toffee making equipment is Rs.150 000.
- Potato toffee making equipment should be depreciated on cost at 12% annually.
- The profit margin is 10% on cost.

Required :

- (a) Prime cost of potato toffee production
- (b) Selling price of a packet of potato toffees (02 marks)

(iii) The trial balance prepared in Krishna's business as at 31.12.2025 was not balanced and the following accounting errors were found later.

1. Cash sales of Rs. 50 000 is recorded as Rs. 5 000 in the sales account.
2. Payment of machine repairs of Rs. 10 000 has been debited to the machine account.
3. The interest paid Rs. 12 000 has been recorded in interest received account in the credit side.

Required :

- (a) Journal entries for the correction of the above errors
- (b) The suspense account showing the difference in the trial balance as at 31.12.2025

(04 marks)

(iv) The bank account and the bank statement of Narada's business for the month of January 2026 are given below.

Bank account

Date	Description	L/F	Value (Rs.)	Date	Description	L/F	Value (Rs.)
01.01.2026	Balance b/f.		10 000	02.01.2026	Electricity (452200)		3 000
03.01.2026	Cash deposited		5 000	04.01.2026	Sameera (452201)		15 000
06.01.2026	Cheque deposited (204)		18 000	08.01.2026	Salary (452202)		8 000
09.01.2026	Cheque deposited (500)		9 000	30.01.2026	Kumara (452203)		7 000
				31.01.2026	Balance c/f.		9 000
			42 000				42 000
01.02.2026	Balance b/f.		9 000				

Bank statement for the month of January 2026

Date	Description	Dr. (Rs.)	Cr. (Rs.)	Balance (Rs.)
01.01.2026	Balance	-	-	10 000
03.01.2026	Cheque - 452200	3 000	-	7 000
03.01.2026	Cash deposited	-	5 000	12 000
06.01.2026	Cheque deposited - 204	-	18 000	30 000
08.01.2026	Cheque - 452202	8 000	-	22 000
20.01.2026	Cheque book charges	1 000	-	21 000
30.01.2026	Cheque - 452203	7 000	-	14 000
30.01.2026	Direct remittance from a debtor	-	12 000	26 000

Required :

- (a) Adjusting balance of the bank account of Narada's business as at 31.01.2026
- (b) Preparing the bank reconciliation statement of Narada's business as at 31.01.2026 (04 marks)

(Total 12 marks)

7. (i) What is 'payable expenses'?

(02 marks)

(ii) The summary of receipts and payments calculated for the year ended 31.12.2025 by the Treasurer of the Shakthi Welfare Association is given below.

Rs.

Membership fees received	52 000
For printing magazines	18 000
From sales of magazines	30 000

Additional information :

Receivable membership fee is Rs. 3 000.

Required :

Preparing the Income and Expenditure account (Income statement) for the year ended 31.12.2025

(02 marks)

(iii) The trial balance prepared in Krishna's business as at 31.12.2025 was not balanced and the following accounting errors were found later.

1. Cash sales of Rs. 50 000 is recorded as Rs. 5 000 in the sales account.
2. Payment of machine repairs of Rs. 10 000 has been debited to the machine account.
3. The interest paid Rs. 12 000 has been recorded in interest received account in the credit side.

Required :

- (a) Journal entries for the correction of the above errors
- (b) The suspense account showing the difference in the trial balance as at 31.12.2025

(04 marks)

(iv) The bank account and the bank statement of Narada's business for the month of January 2026 are given below.

Bank account

Date	Description	L/F	Value (Rs.)	Date	Description	L/F	Value (Rs.)
01.01.2026	Balance b/f.		10 000	02.01.2026	Electricity (452200)		3 000
03.01.2026	Cash deposited		5 000	04.01.2026	Sameera (452201)		15 000
06.01.2026	Cheque deposited (204)		18 000	08.01.2026	Salary (452202)		8 000
09.01.2026	Cheque deposited (500)		9 000	30.01.2026	Kumara (452203)		7 000
				31.01.2026	Balance c/f.		9 000
			42 000				42 000
01.02.2026	Balance b/f.		9 000				

Bank statement for the month of January 2026

Date	Description	Dr. (Rs.)	Cr. (Rs.)	Balance (Rs.)
01.01.2026	Balance	-	-	10 000
03.01.2026	Cheque - 452200	3 000	-	7 000
03.01.2026	Cash deposited	-	5 000	12 000
06.01.2026	Cheque deposited - 204	-	18 000	30 000
08.01.2026	Cheque - 452202	8 000	-	22 000
20.01.2026	Cheque book charges	1 000	-	21 000
30.01.2026	Cheque - 452203	7 000	-	14 000
30.01.2026	Direct remittance from a debtor	-	12 000	26 000

Required :

- (a) Adjusting balance of the bank account of Narada's business as at 31.01.2026
- (b) Preparing the bank reconciliation statement of Narada's business as at 31.01.2026 (04 marks)

(Total 12 marks)

7. (i) What is 'payable expenses'? (02 marks)

(ii) The summary of receipts and payments calculated for the year ended 31.12.2025 by the Treasurer of the Shakthi Welfare Association is given below.

Rs.

Membership fees received	52 000
For printing magazines	18 000
From sales of magazines	30 000

Additional information :

Receivable membership fee is Rs. 3 000.

Required :

Preparing the Income and Expenditure account (Income statement) for the year ended 31.12.2025

(02 marks)

(iii) Following is the trial balance of Sushan's retail trading business as at 31.12.2025.

	Debit (Rs.)	Credit (Rs.)
Capital		400 000
Cash	20 000	
8% Bank loan		100 000
Debtors	22 000	
Creditors		25 000
Bad debts	1 200	
Motor vehicle at cost	250 000	
Land at cost	400 000	
Bank loan interest	3 000	
Administrative salary	15 000	
Electricity charges	8 500	
Stock as at 01.01.2025	4 000	
Purchases	140 000	
Sales		350 000
Carriage inward	8 000	
Rent received		5 000
Advertisement expenses	4 500	
Other expenses	2 000	
Insurance charges	1 800	
	<u>880 000</u>	<u>880 000</u>

Additional information :

- Stock as at 31.12.2025 is Rs.40 000.
- Motor vehicles should be depreciated by 10% annually on straight line method.
- Payable insurance premium is Rs.1200 as at 31.12.2025.

Required:

- (a) The Statement of Profit or Loss in Sushan's business for the year ended 31.12.2025 (04 marks)
- (b) The Statement of Financial Position in Sushan's business as at 31.12.2025 (04 marks)
- (Total 12 marks)**

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