

(1) **Underline the most suitable answer.**

(15 marks)

1. Select the correct statement regarding e-cash

- (1) Current accounts earn a higher interest than a normal savings account
 (2) It is required to have a bank account to obtain a credit card
 (3) It is not required to have a bank account to obtain a debit card
 (4) ATM card is used to withdraw or transfer cash in a savings account

2. The drawee of a cheque is the

- (1) account holder (2) bank (3) payee (4) endorser

3. The first party of an insurance contract is

- (1) Insured (2) insurer (3) public (4) Insurance company

4. An element not included in the process of communication is

- 1) Way 2) medium 3) response 4) feedback

5. Elements of transportation are

- (1) Way/productivity/terminals (2) Way/ method /terminals
 (3) Way/power/terminals (4) Method/power/terminals

6. Select the incorrect statement regarding trade

- (1) Trade is buying and selling goods and services.
 (2) Domestic trade divides into retail trade and wholesale trade
 (3) Trade discounts can be obtained in retail trade
 (4) The objective of retail trade is to sell goods for final consumption

7. A management function in the process of management is

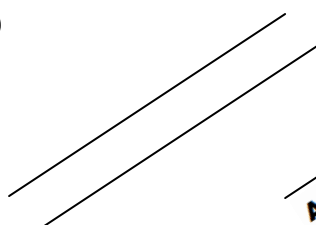
- (1) Production (2) Marketing (3) Controlling (4) Finance

8. Commercial banks in Sri Lanka are governed by

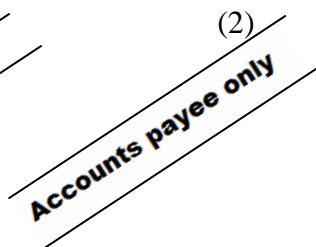
- (1) National Saving Bank (2) World Bank
 (3) Central Bank (4) Security and Exchange commission

9. Select the incorrect cheque crossing.

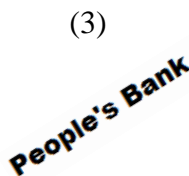
(1)



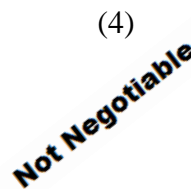
(2)



(3)



(4)



10. Which of the following is not a principle of insurance

- (1) Utmost good faith (2) Indemnity (3) Insurable interest (4) Collateral

11. Incorrect statement regarding communication

- (1) Communication is the exchange of information among parties through any medium.
 (2) Communication is important to provide information to the various stakeholders
 (3) The frequency of occurrence is low in internal communication
 (4) The distance between the sender and the receiver is minimum in internal communication

12. Factors which would be considered when selecting a suitable transport medium

- (1) capacity/cost/power (2) cost/ speed /capacity
 (3) capacity/cost/terminals (4) cost/speed/power

13. Not a characteristic of wholesale business is

- (1) Selling limited types of goods (2) Wholesale price is lower compared to retail price
 (3) Close proximity to consumers (4) Selling large quantities of goods in one transaction

14. Select the correct statement

- (1) Management is the process of planning and organizing the resources of the organization
 (2) Management is the process of achieving business objectives efficiently and effectively
 (3) Effectiveness means using resources to achieve the expected objectives
 (4) Effectiveness means obtaining the maximum output from minimum resources

15. Not an activity of marketing

- (1) Promoting the designed products (2) Setting prices
 (3) Distributing products (4) Motivating employees

(2)



(a) Name the followings using the information from the above cheque

(8 marks)

- Drawer
 Drawee
 Payee

Cheque number
 Bank number
 Bank branch number
 Account number
 Type of cheque crossing

(b) What is the purpose of crossing cheques? (1 mark)

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ACCOUNTING

Some information of Amal's business as at 31.03.2020 is given below.

	Rs.		Rs.
Building	500 000	Bank loan	300 000
Creditors	35 000	Fixed deposit	50 000
Debtors	20 000	Electricity chargers	5 000
Commission received	40 000	Equipment	100 000
Bank overdraft	65 000	Bad debts	4 000
Sales	200 000	Cash	45 000
Purchases	85 000	Salaries	35 000
Discount received	25 000	Discount allowed	6 000
Capital	200 000	Advertising	15 000

(a) Calculate (2 x 8= 16 marks)

i. Total assets

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ii. Total liabilities

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iii. Total equity

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iv. Total current assets

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v. Total current liabilities

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vi. Total expenses

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vii. Total income

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viii. Profit

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