

Uva Wellassa University
Faculty of Management



FIRST YEAR SECOND SEMESTER EXAMINATION – DECEMBER / JANUARY 2017

BGE 121-3 Business Studies, Accounting and Entrepreneurial Skills



Part B - Essay Questions

Answer **only two (02)** questions.

Marks allocation to Part B: 30 Marks

01. A venture initiates with a business idea and develops into an enterprise. During the venture life cycle, managing entrepreneurial growth is a significant course for the venture success.

Explain distinctive stages of venture development process. (15 Marks)

02. Financial management of a venture is most important when it moves through its life cycle. Businesses will come across significant difficulties in the early stages of businesses.

Explain different financing sources which appropriate to finance the different requirements during different stages of venture life cycle.

(15 Marks)

03. Write short notes on any three (03) of followings.

- a) Mission of a business
- b) Informal financing
- c) Green Marketing
- d) External business environment
- e) External marketing mix
- f) Franchise business

(5 Marks x 3 - 15 Marks)



Part C - Essay Questions - Accounting

Answer **all** questions in this section.

Marks allocation to Part C: 25 Marks

01. Following trail balance has extracted from the books of Heladiva Stores for the year ended 31st March 2016.

Account title	Debit (Rs)	Credit (Rs)
Sales		125,658
Return inwards/outwards	6,341	1,902
Receivables and payables	11,257	9,761
Office equipment (cost)	10,000	
Accumulated depreciation of office equipment 1/4/2016		1,550
Vehicles (cost)	3,500	
Purchases	64,726	
Inventory as at 31/3/2016	5,000	
Carriage inwards	908	
Carriage outwards	272	
Vehicle expenses	1,349	
Electricity	1,803	
Wages and salaries	11,550	
Rent	8,800	
Stationary and postages	2,081	
Bank deposit account	10,000	
Bank (cash in bank)	4,797	
Discount allowed and received	5,652	3,765
Finance cost	600	
Drawings	15,000	
Loan		16,000
Capital		5,000
	163,636	163,636

Further, following information is provided for you.

- The value of the inventory on hand as at 01/04/2015 was Rs. 5,700,000

You are required to prepare the Income Statement for the year ended 31st March 2016 for Heladiva Stores. (20 Marks)

02. Following balances were extracted from the ledger of Promiz Enterprise for the financial year ended 31.03.2016.

Account Name	Amount (Rs)
Land and Buildings	1,000,000
Trade creditors	80,000
Motor vehicle (cost)	2,000,000
Provision for depreciation of motor vehicle (as at 01.04.2015)	950,000

At the end of the financial year, the business sold all its motor vehicles for a cash price of Rs. 1,200,000. Business uses straight line method to depreciate motor vehicle and the applicable rate is 9%. The policy of the business is to provide the depreciation for full year on acquiring or disposing of an asset.

You are required to prepare;

- a) Motor Vehicle Account
- b) Provision for Depreciation Account
- c) Motor Vehicle Sales Account showing the profit or loss gained from selling of motor vehicles.

(15 Marks)

