



Business and Accounting Studies

Teachers' Guide

Grade 10

(To be implemented from 2015)

Faculty of Science and Technology
Department of Commerce
National Institute of Education
Maharagama
Sri Lanka

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Message from the Director General

The first phase of the new competency based curriculum, with 8 years curriculum cycle was introduced to secondary education in Sri Lanka in 2007 replacing the existed content based education system with basic objective of developing the national level competencies recommended by the National Education Commission.

The second phase of the curriculum cycle to be introduced to grades 6 and 10 starts from 2015. For this purpose, National Institute of Education has introduced a rationalization process and developed rationalized syllabi for these grades using research based outcomes and various suggestions made by different stakeholders.

In the rationalization process, vertical integration has been used to systematically develop the competency levels in all subjects from fundamentals to advanced levels using the bottom up approach. Horizontal integration is used to minimize the overlapping in the subject content and to reduce the content over loading in the subjects to produce more students friendly and implementable curricular .

A new format has been introduced to the teachers' guide with the aim of providing the teachers with the required guidance in the areas of lesson planning, teaching, carrying out activities and measurement and evaluation. These guidelines will help the teachers to be more productive and effective in the classroom.

The new teachers' guides provide freedom to the teachers in selecting quality inputs and additional activities to develop the competencies of the students. The new teachers' guides are not loaded with subject content that is covered in the recommended textbooks. Therefore, it is essential for the teacher to use the new teachers' guides simultaneously with the relevant textbooks prepared by Education Publication Department as reference guides to be more aware of the syllabi.

The basic objectives of the rationalized syllabi and the new format of teachers' guide and newly developed textbooks are to bring a shift from the teacher centered education system into a student centered and more activity based education system in order to develop the competencies and skills of the school leavers and to enable the system to produce suitable human resource to the world of work.

I would like to take this opportunity to thank the members of Academic Affairs Board and Council of National Institute of Education and all the resource persons who have immensely contributed in developing these new teacher guides.

Director General

National Institute of Education

Message from the Deputy Director General

Education from the past has been constantly changing and forging forward. In recent years, these changes have become quite rapid. Past two decades have witnessed a high surge in teaching methodologies as well as in the use of technological tools and in the field of knowledge creation.

Accordingly, the National Institute of Education is in the process of taking appropriate and timely steps with regard to the education reforms of 2015.

It is with immense pleasure that this Teachers' Guide where the new curriculum has been planned based on a thorough study of the changes that have taken place in the global context adopted in terms of local needs based on a student-centered learning-teaching approach, is presented to you teachers who serve as the pilots of the schools system.

An instructional manual of this nature is provided to you with the confidence that, you will be able to make a greater contribution using this.

There is no doubt whatsoever that this Teachers' Guide will provide substantial support in the classroom teaching-learning process at the same time. Furthermore the teacher will have a better control of the classroom with a constructive approach in selecting modern resource materials and following guide lines given in this book.

I trust that through the careful study of this Teachers Guide provided to you, you will act with commitment in the generation of a greatly creative set of students capable of helping Sri Lanka move socially as well as economically forward.

This Teachers' Guide is the outcome of the expertise and unflagging commitment of a team of subject teachers and academics in the field Education.

While expressing my sincere appreciation of this task performed for the development of the education system, my heartfelt thanks go to all of you who contributed your knowledge and skills in making this document such a landmark in the field.

M.F.S.P. Jayawardhana
Deputy Director General
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Instruction for the Use of the Teachers' Guide

This Teachers' Guide has been prepared for Grade 10 based on the syllabus for Business and Accounting Studies proposed to be implemented for G.C.E. (O/L) from 2015.

Model activities have been included here as guidance in the planning of teachers' learning-teaching process so as ensure the development of the students' competencies.

This teachers' Guide has been prepared in keeping with the order in which the learning-teaching process should be implemented in the classroom. Learning outcomes have been presented for every competency level in the syllabus. It is expected that teacher will implemented a student-centered learning-teaching procedure to ensure that all the students achieve these learning outcomes and the relevant competencies. For this purpose the learning-teaching process has been presented under each competency level in order to provide you with guidance. It is by no means compulsory that you conform to these instructions in that very form itself, you, as a creative individuals, have complete freedom to conform to any other student-centered learning-teaching procedure you consider for students.

Similarly, included in this teachers' guide are the basic terms and concepts related to the subject area under each competency level. They will serve as guidance to the subject matter you should elicit through the activities in the classroom as well as for the notes you give the students.

P.H.Kusumawathie
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Business and Accounting Studies

Syllabus

Grade 10

(To be implemented from 2015)

1.0 Introduction

This syllabus is to be implemented in 2015. Through this syllabus it is expected to provide theoretical and practical knowledge to the student that would give him guidance in his future livelihood, through the provision of business knowledge, recording of transactions, evaluation of business results, information technology, development of desire for saving and investment and business management. Similarly, it is expected that the initial foundation will be laid for the creation of entrepreneurs as well as other professionals by teaching this subject. Through this, it is also expected to build the human resources necessary for the economic and social development of the country.

Similarly, through the pedagogical approach, it is expected to build in the students an integrated personality with focus on student centered, competency based activities. Further, it is expected that this syllabus will serve in the creation of a citizen who poses no burden to society, acts with social responsibility, has the capability of conforming to the conditions of the changing world and enjoys to the end of one's life the results of the combinations produced by changing the subject content.

2.0 National goals

1. The achievement of a functioning sense of National Cohesion, National Integrity and National Unity
2. The establishment of a pervasive pattern of Social Justice and active elimination of inequities.
3. The evolution of a Sustainable Pattern of living - A sustainable Life Style.
4. Seeking a livelihood and work opportunities that are, at one and the same time, productive and give avenues of self – fulfilment
5. Participation in human resource development that will support socio- economic growth of the country.
6. Involvement in nation building activities: learning to care.
7. Cultivation of an element of adaptability to change - learn to learn and adapt, developing competence to guide change.
8. Coping with the complex and the unforeseen; and achieve a sense of security and stability
9. Securing and honourable place in the international community

(ii.) Competencies relating to the Personality Development

- Generic skills such as creativity, divergent thinking, initiative, decision making, problem-solving, critical and analytical thinking, team work, inter-personal relationships, discovering and exploring
- Values such as integrity, tolerance and respect for human dignity.
- Cognition

3.0 Basic Competencies

The following competencies promoted through education will help to achieve the above mentioned National Goals.

(i.) Competencies in Communication

This first set of competencies is made up of four subsets - Literacy, Numeracy, Graphics and information communication skills :

- Literacy : Carefully listening, Speaking clearly, Reading for comprehension, writing clearly and accurately.
- Numeracy : Using numbers to count, calculate, code and to measure, matter, space and time.
- Graphics : Making sense of line and form, expressing and recording essential data, instructions and ideas with line, form, colour, two and three-dimensional configurations, graphic symbols and icons
- ICT Competencies: Knowledge on computers, and the ability to use the information technology skills at learning or work as well as in the private life

(ii.) Competencies relating to the Personality Development

- Generic skills such as creativity, divergent thinking, initiative, decision making, problem-solving, critical and analytical thinking, team work, inter-personal relationships, discovering and exploring
- Values such as integrity, tolerance and respect for human dignity.
- Cognition

(iii.) Competencies related to the Environment.

This is the second set of competencies related to the Social, Biological and Physical Environments.

- Social Environment:** Awareness, sensitivity and skills linked to being a member of multi cultural plural society, social relationship, personal conduct, general and national heritage, legal conventions, rights, responsibilities, duties and obligations.
- Biological Environment:** Awareness, sensitivity and skills linked to the living world, man and the ecosystem, trees, forests, seas, water, air and life
- plant, animal and human life.
- Physical Environment:** Awareness, sensitivity and skills related to space, energy, fuels, matter, materials and their links to human living, food, clothing, shelter, health, comfort, respiration, sleep, relaxation, rest, wastes and excretion, media of communication and transport.
Included here are the skills in the use of tools to shape and materials for living and learning.

(iv.) Competencies related to Preparation for the world of work

Employment related skills to maximize their potential and to enhance their capacity to contribute to economic development; to discover their vocational interests and aptitudes; to choose a job that suits their abilities and; to engage in a rewarding and sustainable livelihood

(v.) Competencies related to religion and ethics

This fourth set of competencies are laden with values and attitudes. It is essential for individuals to assimilate values, so that they may function in a manner consistent with the ethical, moral and religious modes of conduct, rituals and practices in everyday living, selecting the most appropriate.

(vi.) Competencies in Play and Use of Leisure

Competencies that link up with pleasure, joy, emotions and such human motivations. These find expression in play, sports, athletics and leisure pursuit of many types. These also link up with such values as cooperation, team work, healthy competition in life and work. Included here are such activities that are involved in aesthetics, arts, drama, literature, exploratory research and other creative modes in human living.

(vii.) Competencies related to ‘Learning to learn’.

These competencies flow directly from the nature of a rapidly changing, complex and interdependent world. Whatever one learns, that learning will need updating and review. This requires that one should be aware of, sensitive and skilful in sustained attention, and be willing to persevere and attend to details that matter in a given situation.

4.0 Aims of the subject

- (1) To Inquire the nature of businesses.
- (2) Inculcate a desire for investment.
- (3) Record and post business transaction.
- (4) Prepare the financial statement of a business.
- (5) Acquire basic ability regarding electronic commerce and accounting.

7.0 Competency, Competency Level, Contents, Learning outcomes and No. of Periods Grade 10

Competency	Competency Levels	Contents	Learning outcomes	Periods
IX. 1.0 Enters the Business world with knowledge and awareness.	1.1 Constructs the basic foundation of business.	<ul style="list-style-type: none"> • The concept of business. • Aims of business. • Consumer needs and wants • Businesses that produce goods. • Businesses that produce services. • Factors of production. 	<ul style="list-style-type: none"> • Defines the concept of business with knowledge and awareness. • Indicates the aim of business. • Explains how businesses fulfill consumer needs and wants. • Provides examples of businesses that produce goods and businesses that provide services. • Indicates the importance of factors of production. 	10 05
	1.2 Constructs the basic foundation to meet the aim of stakeholders in the business.	<ul style="list-style-type: none"> • Stakeholders in business. • The aim of different stakeholder groups. 	<ul style="list-style-type: none"> • Names the stakeholders in a business. • Explains the aim of different stakeholder groups. 	05

Competency	Competency Levels	Contents	Learning outcomes	Periods
2.0 Takes action to systematize business activities in conformity with the Business environment.	2.1 Constructs the basic foundation to ensure the effectiveness of the rules and regulations of the state on business.	<ul style="list-style-type: none"> • Factors of the Business Environment • Government influence. • Government rules and regulations. 	<ul style="list-style-type: none"> • Lists the External and internal factors of the business environment. • Gives a simple explanation of the influence of the government on business. • Presents government rules and regulations over businesses. • Explains how business activities become efficient through the influence of the government and rules and regulations. 	10 04
	2.2 Constructs the basic foundation to ensure the effectiveness of the technological and economic environment on business.	<ul style="list-style-type: none"> • Impact of the economic environment on business. • Impact of the Technological environment on business. 	<ul style="list-style-type: none"> • Presents the impact of the technological and economic environment on business. • Shows how business activities can be carried out efficiently through the influence of the technological and economic environment. 	03
	2.3 Constructs the basic foundation to ensure effectiveness of globalization on business.	<ul style="list-style-type: none"> • Globalization • Impact of globalization on business 	<ul style="list-style-type: none"> • Presents the impact of globalization on business. • Explains how business activities can be carried out efficiently through the influence of globalization.. 	03

Competency	Competency Levels	Contents	Learning outcomes	Periods
<p>3.0 Constructs the basic foundation to select an appropriate business through the analysis of types of business and the basic features of business.</p>	<p>3.1 By inquiring into types of business organizations derives the basic ability of selecting a suitable business organization.</p> <p>3.2 Selects an appropriate business organization.</p>	<ul style="list-style-type: none"> • Classification of business or ganizations. • Basic characteristics of each business <ul style="list-style-type: none"> • Sole trader business • Partnerships • Incorporated company • Co-operative • Non-profit making organisation. • State institutions and departments. • According to the aim of the business. • According to scale of the business. • According to Management of the business. 	<ul style="list-style-type: none"> • Lists different types of business organizations and describes their main features. • Lists the advantages and disadvantages of sole trader business, partnerships, Incorporated company, co-operative organizations and non profit making organisation. • Discusses the advantages and disadvantages of state institutions and departments. • Shows how an appropriate business organization based on aim, is selected. • Shows how an appropriate business based on scale, is selected. • Shows how an appropriate business organization based on management is selected. 	<p>10</p> <p>04</p> <p>03</p>

Competency	Competency Levels	Contents	Learning outcomes	Periods
4.0 Records business transactions.	3.3 Follows procedures to register a sole trader business.	<ul style="list-style-type: none"> • Steps to be followed in registration • Initial documents • Advantages of a registration of a business 	<ul style="list-style-type: none"> • Completes documents in registration of a sole trader business . • Provides guidelines to related individuals to register sole trader business . • Shows the advantages and disadvantages of registration of a sole trader business. 	03
	4.1 Presents business transactions through the accounting equation.	<ul style="list-style-type: none"> • Accounting • Aim and importance of accounting. • Business transactions • Different types of business transactions. • Assets, liabilities, income, expenses and equity are generated through business transactions. • Basis of the accounting equation • Accounting equation <ul style="list-style-type: none"> • Assets • Liabilities • Equity • Constructs accounting equation. <ul style="list-style-type: none"> • Without external liabilities • With external liabilities • Instances where changes take place 	<ul style="list-style-type: none"> • Explains accounting. • Shows the aims and importance of accounting. • Explains business transactions and presents examples. • Presents business transactions related to assets, liabilities, income, expenses and equity. • Presents the accounting equation and describes its basic components. • Develops the accounting equation where there are no external liabilities. • Develops the accounting equation where there are external liabilities. • Explains through examples situations where equity changes. 	20 10

Competency	Competency Levels	Contents	Learning outcomes	Periods
	<p>4.2 Records the dual aspect of transactions according to the double entry system.</p>	<p>in equity</p> <ul style="list-style-type: none"> • Introduction of additional capital • Drawings • Income • Expenses <ul style="list-style-type: none"> • Dual aspect of business transactions. • Double entry system. • Ledger account and its format. • Double entries of business transactions. <ul style="list-style-type: none"> • Debit • Credit • Types of ledger accounts <ul style="list-style-type: none"> • Asset • Liability • Income • Expense • Equity 	<ul style="list-style-type: none"> • States dual aspects of business transactions. • Presents double entry system. • Names types of ledger accounts. • Posts business transactions into the ledger. 	<p>10</p>

Competency	Competency Levels	Contents	Learning outcomes	Periods
5.0 Records business transactions in prime entry books and transfers to the ledger accounts.	5.1 Records business transactions in cash in the cash book.	<ul style="list-style-type: none"> • Prime entry books and their importance. • Source documents • Cash book and its importance. • Recording the business transactions in the cash book. <ul style="list-style-type: none"> • Cash receipts • Cash payments • Cash balance • Dual function of the cash book. 	<ul style="list-style-type: none"> • Names the primary books and explains their importance. • Shows the need for prime entry books. • Explains its importance of source documents • Names source documents relevant to each prime entry book. • Describes cash book and shows its need. • Records transactions in the cash book. • Explains the dual functions of the cash book. • Posts the business transactions to the ledgers from the cash book. 	40 05
	5.2 Records business transactions in the bank account.	<ul style="list-style-type: none"> • Source documents • Recording of transactions <ul style="list-style-type: none"> • Cash deposits • Cheque deposits • Issue of cheques • Dishonoured cheques • Bank overdraft 	<ul style="list-style-type: none"> • Explains the source documents related to bank transactions. • Records cash deposits, cheque deposits and issue of cheques. • Shows causes for the dishonour of cheques and related accounting entries. • Computes the bank balance. • Explains bank overdraft. 	04

Competency	Competency Levels	Contents	Learning outcomes	Periods
	5.3 Prepares the bank reconciliation statement.	<ul style="list-style-type: none"> • Bank statement • The balance in the bank account and the bank statement may differ. • Causes for the difference in bank balances. <ul style="list-style-type: none"> • Issued but cheques not presented to the bank. • Deposited but unrealised cheques. • Bank charges • Payments made by the bank according to standing order • Direct deposits • Adjusts the balance in the bank account. • Prepares the bank reconciliation statement based on adjusted favourable balance of the bank account. 	<ul style="list-style-type: none"> • Describes the reasons for the difference in the balances in bank account and bank statement. • Adjusts balance in bank account. • Prepares bank reconciliation statement based on the adjusted favourable balance in bank account. 	05
	5.4 Records transactions related to cash discounts in the cash book.	<ul style="list-style-type: none"> • Cash discount. <ul style="list-style-type: none"> • Discount allowed • Discount received • Source documents. • Recording of transactions with discounts. • Post transactions into the ledger 	<ul style="list-style-type: none"> • Describes cash discounts • Names the source documents for cash discounts. • Records the transactions related to discounts in the cash book. • Posts transactions into the ledgers. 	03

Competency	Competency Levels	Contents	Learning outcomes	Periods
	5.5 Uses petty cash book to record petty cash transactions.	<ul style="list-style-type: none"> • Importance of the petty cash book. • Petty cash transactions • Source documents • Petty cash imprest system • Petty cash book with analysis columns. • Records transactions. <ul style="list-style-type: none"> • Receiving petty cash imprest from the main cashier. • Recording petty cash payments. • Compute balance in petty cash book. • Reimbursement of petty cash imprest. • Post into the ledger. 	<ul style="list-style-type: none"> • Shows petty cash transactions. • Names source documents for petty cash transactions. • Explains the petty cash imprest • Records transactions in the petty cash book with analysis columns and computes the closing balance. • Shows the reimbursement of petty cash. • Posts transactions to the ledger from the petty cash book 	03
	5.6 Prepares purchases journal.	<ul style="list-style-type: none"> • Purchase journal • Source document • Recording • Post into the ledger 	<ul style="list-style-type: none"> • Explains importance of purchase journal. • Names the source document relating to purchase journal. • Records transactions in the purchase journal. • Posts transactions to the ledger from the purchase journal. 	03

Competency	Competency Levels	Contents	Learning outcomes	Periods
	5.7 Prepares sales journal.	<ul style="list-style-type: none"> • Sales journal • Source document • Recording • Transfers to the ledger 	<ul style="list-style-type: none"> • Explains the importance of sales journal • Names the source documents for the sales journal. • Records transactions in the sales journal. • Posts transactions to the ledger. 	03
	5.8 Maintains the general journal.	<ul style="list-style-type: none"> • General journal • Source documents • Types of entries <ul style="list-style-type: none"> • Adjusting entries • Entries for Rectifying errors 	<ul style="list-style-type: none"> • Explains the importance of the general journal. • Names the source documents related to the general journal. • Names the transactions recorded in the general journal. 	03
	5.9 Balances ledger accounts and prepares trial balance.	<ul style="list-style-type: none"> • Transfers transactions from the prime entry books to the ledger. • Balance ledger accounts • Prepares trial balance 	<ul style="list-style-type: none"> • Transfers the transactions recorded in the prime entry books to the ledger. • Balances the ledger accounts. • Prepares the trial balance. 	03
	5.10 Rectifies errors that occur in recording transactions in prime entry books and posting to ledger accounts	<ul style="list-style-type: none"> • Errors that may occur when recording transactions. <ul style="list-style-type: none"> • Errors which do not affect agreement with the trial balance and rectification of such errors. • Errors which affect the agreement of the trial balance and rectification of such errors through suspense account. 	<ul style="list-style-type: none"> • Lists out the errors which may occur when recording the transactions in prime entry books. • Lists out the errors which may occur when posting the transactions in the ledger. • Identifies and corrects the errors that do not influence agreement of the trial balance. • Identifies suspense accounts. • Rectifies errors through the suspense account 	06

Competency	Competency Levels	Contents	Learning outcomes	Periods
	5.11 Use technology for speedy conduct of cash transactions and to elicit responses.	<ul style="list-style-type: none"> • Transactions using electronic equipment. • Business transactions based on mobile phones. • Business transactions based on computers. • Advantages of transactions using electronic equipment. <ul style="list-style-type: none"> • Quick cash transactions • Payments of bills • Short message service • Immediate responses-necessary equipments close to client. 	<ul style="list-style-type: none"> • Explains the advantages of the mobile phone for cash transactions. • Provides examples of the use of the mobile phones for business transactions. • Shows the advantages of the usage of electronic equipment on business transactions . 	02
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Guidance to the Learning-teaching process

Competency 1 : Enters the Business World with awareness.

Competency Level 1.1 : Builds up the basic foundation relevant to business.

No. of Periods : 05

Specific Learning Outcomes :

By the end of this activity the student should be able to achieve the following learning outcomes.

- Explains Business Concept.
- States Aims and Objectives of the Business .
- Explains how consumer needs and wants are met by businesses.
- Gives examples of Businesses that produce goods and services.
- Shows the need for factors of production.

Instructions for lesson planning:

Basic terms and concepts

Business

Institutions or organizations involved in the production or distribution of goods and services are called businesses. Businesses are especially involved in activities related to the production or distribution of goods and services necessary for man. The main aim of a business is making a 'profit'. Yet there are certain businesses that are carried out without the aim of profit making. Expecially, businesses in the State sector are at times run more with the objective of providing services than making profits. Businesses of the present times are very much broader than the business of the past. While business transactions can be conducted through the electronic medium, there is also the facility of carrying out transactions from any point in the world.

Aims and Objectives of the Business

- Realization of an adequate profit for the owners of profit-oriented businesses.
- Satisfaction of changing consumer needs.
- Generation of employment etc.

Needs

Things that man should necessarily satisfy in order to exist, are human needs.

eg.: Food, clothings, shelter, health and education etc.

Wants

Various forms of meeting needs is wants.

eg.

Food : Rice, gram, bread, buns, green-gram, tea

Clothing : Sarees, trousers, dresses.

Education : Teacher service, State schools, Examinations, Libraries.

It is necessary to generate various products and services arising from needs. The task of production is implemented by businesses. This production of business goods can be classified as production businesses and services business.

Eg.

Businesses that produce goods

Tyre production Bakery production Fabric production

Businesses that produce services

- | |
|--|
| <ul style="list-style-type: none">• Salons • Tailorshops• Post offices • Banks• Garages • Hospitals • Groceries |
|--|

Factors of productions

Land : Land, natural resources Labour : Employees, Managers Capital : Money, Machines, Buildings Entrepreneurship: Owners,

Instructions for activity planning

Direct the students to study the picture below, instruct them to answer the questions asked.



ලංකා බැංකුව இலங்கை வங்கி
ඔබේ විශ්වසනීය බැංකුව



Questions

1. Name the locations seen in the picture.
2. Show the tasks performed by them.
3. What uses can you make of them.
4. Suggest a name for the places that supply the goods and services necessary for you to exist, shown on the picture.
5. Classify the business organizations in the picture as service businesses and businesses producing goods.
6. What are the resources necessary to start these production businesses.
7. Give the reasons that form the basis for the commencement of such businesses.
8. Present your views on the businesses operating in your area.

Quality Inputs

1. Business and Accounting Studies Text book for grade 10 - Lesson One - Basis of Business.

Criteria for Assessment and Evaluation

1. Explains Business Concept so as to include the terms, aims of businesses and economic activities.
2. States the difference between needs and wants, based on examples.
3. Provision of five examples of goods producing businesses and service businesses.
4. Divides resources like land, machinery, buildings, money, owners, workers, air, light, necessary to carry out the business, separately under factors of production .
5. Collects information relevant to the aim, based on the picture.
6. Acquires the ability to make presentations.

Competency 1 : Enters the Business World with awareness.

Competency Level 1.2 : Lays the basic foundation for the satisfaction of the aims of parties that have an interest in Business.

No. of Periods : 04

Specific Learning Outcomes :

By the end of this activity the student should be able to achieve the following learning outcomes.

- Names parties that have an interest in the Business.
- Explains the aims of each party that have an interest in the Business.

Instructions for lesson planning:

Basic terms and concepts

Different parties that evince an interest in business activities are called parties that have an interest in the Business.

- Owner/Owners
- Managers
- Workers
- Lending organizations/Individuals
- Consumers
- Banks and Financial organizations
- The state
- Community / People
- Stake holders in the business

It is with the expectation of satisfying the aims of each party, that these parties show an interest in businesses.

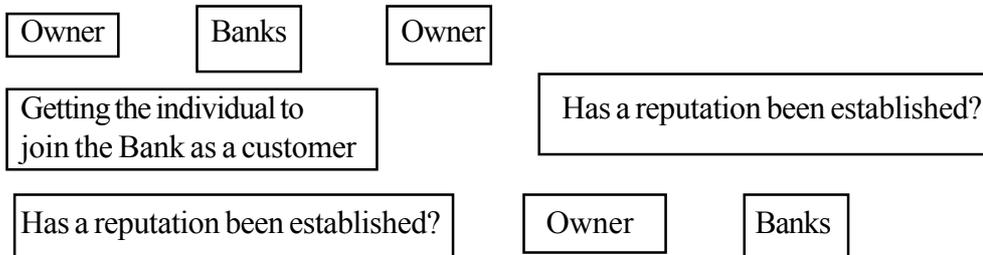
Parties	Aims
1. Owner	<ul style="list-style-type: none">• Inquiring whether an adequate profit has been made, and• Whether prestige has been acquired.
2. Manager	<ul style="list-style-type: none">• To inquire whether management activities have been successful and• Whether managerial decisions can be implemented.
3. Workers	<ul style="list-style-type: none">• To inquire whether one's employment is secure and• Whether a reasonable wage could be earned.
4. Customers	<ul style="list-style-type: none">• Can quality goods and services be obtained?• Can goods and services be obtained easily and expeditiously?• Reasonable price

5. Suppliers	<ul style="list-style-type: none"> • Obtaining a proper payment for the goods one supplies.
6. Lending organizations	<ul style="list-style-type: none"> • Can the loan given be recovered? • Can further loans be given?
7. Banks and Financial Institutions	<ul style="list-style-type: none"> • Associating as a party dealing with one's organization • Supply of loans and other services.
8. The State	<ul style="list-style-type: none"> • Are businesses conducted so as to ensure the security of customers? • Are rates payable to the State paid appropriately.
9. People	<ul style="list-style-type: none"> • Focussing attention on the service rendered to society by the business. • Focussing attention on the internal affairs of the business

Instructions for activity planning :

Write separately on cards or strips of white paper, those parties that have an interest in the business their aims and separately, an adequate number to match the number of students in the class.

Example : Prepare word cards as below.



Prepare an adequate number of cards.

- Several strips can be prepared for a party.
- Mix these strips of paper and put them in a box.
- Provide these strips to students as desirable.
- Instruct those students with cards with parties who have an interest in the business to meet the students with cards bearing the relevant aims.
- Find out whether this meeting is correct and get the students to note it down as subject matter.
- In this manner, direct the students to note the information in the other cards.
- Investigate whether correct notes have been made in relation to "parties that have an interest in the Business..

- You can implement the game above appropriately so as to match parties that have an interest in the business and their "aims".
- Prepare an exercise where students have to complete a table by matching parties that have an interest in the business and their Aims by drawing lines or filling in blanks.
- Name a school/hospital/co-operative/business organization and direct the students to list out the parties that have an interest in the organisation and the relevant aims.

Quality inputs:

- Business and Accounting Studies Text book for grade 10 lesson one, Basis of Business.

Criteria for Assessment and Evaluation

1. Names parties that have an interest in the business , with examples.
2. Presents, with examples the aims of parties that have an interest in the business .
3. Names one organization and names the parties that have an interest in the organization for same
4. Discusses with others and accesses information one requires.

- Competency 2** : Adopts to changes in the Business Environment and implements business activities.
- Competency Level 2.1** : Takes action to implement Business Activities in accordance with the influence of the State as well as Laws and Regulations.
- No. of Periods** : 02

Specific Learning Outcomes:

By the end of this activity the student should be able to achieve the following learning outcomes.

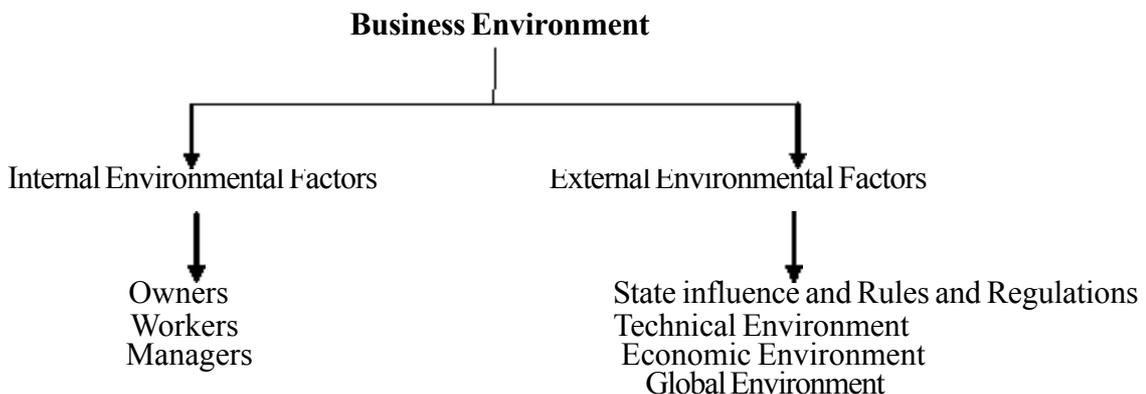
- Delineates factors in the Business Environment.
- Presents Government Rules and Regulations relevant to Business.
- Explains how Business activities are made efficient through State influence and Rules and Regulations.

Instructions for lesson planning:

Basic terms and concepts

Introduction to the Business Environment :

The environment that contains the various factors that are subject to influence in the process of the implementation of Business activities is called the Business Environment. The Business Environment can be presented in terms of the Internal Environment and the External Environment.



State influence and Rules and Regulations

Here, influence is brought about upon business according to the manner in which the State intervenes in businesses. That is

- Provision of infrastructural facilities (electricity, road ways, water)
- Ensuring consumer security.
- Registration of a business and provision of a license.
- Taking action for worker security
(deciding on salaries, service period, decisions on leave etc.)

Restrictions on taking action according to one's discretion are placed upon proprietors/owners as a result of State influence and rules and regulations. On the other hand the opportunity is provided for the improvement of one's business as a result of the provision of various facilities by the State.

eg. : The provision of facilities like roadways and electricity makes it possible to make businesses effective and efficient.

The Act on the Consumer Protection Authority has been introduced in order to ensure the safety of consumers. eg. " If a businessman fraudulently misleads a consumer, Court action is taken under this Act.

Instructions for activity planning :

- Provide subject matter through the use of a textbook or through the open book examination.
- In this regard, get the students to make a thorough study of the relevant topics in the text book.
- Divide the class into two groups and provide each group one of the topics below, selected at random, and get each group to prepare a questionnaire on the topic assignment to one's group.
 - Classification of Business Environment.
 - Legal and Political Environment.
- Make arrangements for each group to assemble information through an exploratory process.
- Instruct the students to verify the information provided by you against the information derived from the text.
- Examine whether the answers provided by the students are correct and provide feedback to weak students and feed forward to the rest.
- Prepare a wall paper article to cover subject matter and learning outcomes and exhibit same.

Quality Inputs

- Business and Accounting Studies Text book for grade 10 - Lesson two - Business Environment.

Criteria for Assessment and Evaluation

1. Shows Business Environment factors.
2. States the State Rules and Regulations that affect business.
3. Explains, based on examples, how State Rules and Regulations affect efficient implementation of business activities.
4. Accesses necessary information through self study.

- Competency 2** : Adopts to changes in the Business Environment and implements business activities.
- Competency Level 2.2** : Takes action based on the influence of the technological and economic environment to make business activities efficient.
- No. of Periods** : 02

Specific Learning Outcomes:

By the end of this activity the student should be able to achieve the following learning outcomes.

- Presents the influence of the technological and economic environment.
- Explains how business activities can be made efficient based on the influence of the technological environment and the influence of the economic environment.

Instructions for lesson planning:

Basic terms and concepts

Introduction to the Economic Environment :

The Economic Environment is the environment that includes inflation, interest rates, salaries, income, savings, investments, tax percentages, exchange rates etc. that lend themselves in influencing the implementation of business activities.

Introducing the Technological Environment

The environment comprising the technological implements that influence the implementation of Business activities like modern technological tools, machinery, modern methodologies, new inventions etc. is called the Technological Environment.

Influences brought upon Business because of Economic and Technological Environmental Factors.

Variable of the Environmental Factor	Influence
<ul style="list-style-type: none"> • Economic Environment Interest ratio • Change in the costs of goods and services. • Levy of a tax on goods. 	<ul style="list-style-type: none"> • Motivation for businesses to obtain loans because of the reduction of rates of interest. Using this situation for the development of businesses. • Increase in expenses as a result of increase in cost. Then action is taken to control prices. • Expenses in businesses can increase as a result of the imposition of taxes on goods.

<p>Technological Environment</p> <ul style="list-style-type: none"> • Invention of modern machinery and their use. • Development of the field of transport • Development of communication technology • Use of production methods 	<ul style="list-style-type: none"> • Possibility of greater production. • Made of high quality products. • Possibility of pursuing maximum profits <ul style="list-style-type: none"> • Time saving • Security of quality • Possibility of speedy access. • Attract consumers. • Increase in trade <p>Similar beneficial influences as well as adverse influences are possible.</p>
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Instructions for activity planning :

- Write out on separate cards variables that belong to Economic and Technological Environmental Factors and distribute them among the students.

e.g. Increasing wages Computer used in the business being outdated

Use of production methods

- Direct students to study the text book.
- Instruct students to write on the back of the card itself, in the card or in their exercises book the influence of the variable given in it, on the business.
- Discuss the answers written by the students, correct where necessary and provide same as a note.
- Prepare several question of the type given below and instruct the students provide answers.
- It has been decided to raise the bank interest rate by 2% from 2013. As a result, the most correct answer showing the influence of the above on business is
 1. Businesses being motivated to take loans.
 2. Businesses will deposit their money in banks.
 3. Businesses will restrict taking loans.
 4. Selling price of goods and services will go up.
- Provide an example of a methodology that can be employed for the distribution of products from crop lands to the market.

Quality Inputs

- Business and Accounting Studies Text book for grade 10 Lesson two - Business Environment.

Criteria for Assessment and Evaluation

1. Describes influence of technological environment.
2. Describes influence of the economic environment.
3. Provision of five examples of the influences of the technological environment.
4. Provision of five examples of the influences of the economic environment.
5. Accesses new information through study.

- Competency 2** : Adopts to changes in the Business Environment and implements business activities.
- Competency Level 2.3** : Takes action to implement Business Activities in accordance with the influence of Globalization.
- No. of Periods** : 02

Specific Learning Outcomes:

By the end of this activity the student should be able to achieve the following learning outcomes.

- Presents the influence of Globalization in a simple manner.
- Explains how business is made efficient based on the influence of Globalization.

Instructions for lesson planning :

Basic terms and concepts

Introduction to the Globalization :

Removal of restrictions and obstacles that exist between the various countries of the world and functioning as a single village. As such the world is considered a universal village. The world functions as a universal village on account of the progress in communication and transport technology.

Influence to Globalization

There have been favourable as well as adverse influences in the implementation of business activities as a consequence of changes in Information and Communication technology.

- eg.:
- Local businesses improving as a result of goods and services of internationally reputed institutions entering local markets.
 - Their having an impact on manufacturing institutions implemented locally.

Instructios for activity planning :

- Call upon a resource peron and let him discuss regarding the following matters.
 - Introduction to the global environment.
 - Identifying markets for business goods and services.
 - How ordering, purchasing and selling takes place freely.
 - Making payments.
- Direct the speaker to explain about how local small-scale businesses are affected in relation to the global environment.
- At the close of that lecture discuss same with the students and provide them a short note to develop learning outcomes

Quality Inputs

- Business and Accounting Studies Text book for grade 10 - Lesson two - Business Environment

Criteria for Assessment and Evaluation

1. Explains globalization through examples.
2. Shows the influence brought upon businesses by global environmental factors.
3. Explains, based on examples, the possible influence on the manufacturing businesses because of the global environment.
4. Shows, with examples, the adverse as well as beneficial influence of globalization on businesses.

Competency 3 : Inquires about types of business organizations and basic information regarding them and prepares facilities for the selection of businesses suited for one.

Competency Level 3.1 : Inquires about types of business organizations and derives the basic ability to select suitable businesses.

No. of Periods : 04

Specific Learning Outcomes:

By the end of this activity the student should be able to achieve the following learning outcomes.

- Delineates various types of business organizations.
- Discusses the advantages and disadvantages of sole trader.
- Discusses the advantages and disadvantages of a partnership.
- Discusses the advantages and disadvantages of a Incorporated company.
- Discusses the advantages and disadvantages of a co-operative.
- Discusses the advantages and disadvantages of non-profit making organizations.
- Discusses the advantages and disadvantages of government institutions.

Instructions for lesson planning :

Basic terms and concepts

Sole trader:

Business where the ownership is of a single individual is called a sole trader.

Special features of a sole trader	Advantages	Disadvantages
1. Investment of capital by owner. 2. Applicable rules and regulations, minimal. 3. Enjoy profits on one's own 4. Responsibility of owner, limitless. 5. Absence of legal individuality. 6. Absence of criteria for establishment. 7. Absence of going concern. 8. Registration not being compulsory. 9. Ability to take independant decisions.	1. Ability to commence easily. 2. Self control. 3. All profits acruing to the owner. 4. Maintenance of confidentiality of business information. 5. Commitment 6. Administrative decisions taken personally. 7. Exploys one's skills to the maximum.	1. There is unlimited responsibility. 2. There exists the difficulty of finding capital. 3. Absence of going concern. 4. Absence of legal individuality of business. 5. Personal decisions taken by owner failing at times.

Partnership :

The relationship that exists between those who conduct a business in common with the aim of making a profit is partnerships (common businesses conducted between two or more individuals with the aim of earning profits are joint businesses).

Special features of partnerships	Advantages	Disadvantages
1. Minimum number of share holders 2. Maximum number 20. 2. Capital is invested by the partners 3. There should be an agreement among the partners. 4. The liability is unlimited. 5. Registration is not compulsory. 6. Absence of legal status. 7. Continuous existence not ensured	1. Can be easily started. 2. Considerably a big capital can be collected. 3. The skills of the partners can be made use of the 4. The liability is shared among the partners. 5. Ability of collective decision making.	1. Responsibility being unlimited. 2. Profit shared among several partners. 3. Absence of continuous existence. 4. Possibility of conflicts or disputes. 5. Absence of a legal status.

Partnership agreement :

A partnership agreement or deed is a document prepared in accordance with the agreement among the relevant partners/parties.

Incorporated company:

A Incorporated is an organizations set up under the Companies Act. No. 07 of 2007 with a continuous existence, separate from the owners who invest capital in the business.

Significant features of Incorporated company	Advantages	Disadvantages
1. Open under the companies Act. 2. Having a continuous existence. 3. Gaining a legal status (Legality) 4. Liability is limited. 5. Introduce capital by shares.	1. A large amount of capital can be accumulated. 2. Gaining legitmacy. 3. Running continuously. 4. Limited liability. 5. Comparatively higher acceptance.	1. There can be more and more legal interferences. 2. Difficult to dissolve. 3. Separate administration. 4. Need to Pay taxes.

Co-operative Societies:

A private sector business organization carried out for the wellbeing of the members and registered under the co-operatives Act.

Significant features of Cooperative Societies	Advantages	Disadvantages
1. There existing a democratic control. 2. Open and volunteer membership. 3. There is collective ownership of the membership. 4. Consists of general purposes and needs.	1. Democratic control. 2. Essential goods and services are provided at a reasonable price. 3. Business activities in various fields can be carried out. 4. Acting with mutual cooperation.	1. Financing sources are restricted. 2. Should be controlled only on cooperative policies. 3. Frequent political interferences.

Non-profit making Organizations:

The organizations which are set up by the members for the betterment of the members themselves as well as for social welfare without profit making aim are called **Non-profit making Organizations** .

- i.e. 1. Funeral Assistance .
 2. Sport clubs
 3. Charities

State Corporations and Departments:

Institutes, which have been established under special Parliamentary Acts and are owned by the State are called State Corporations.

- i.e. 1. Building Materials Coperation.
 2. Sri Lanka Broadcasting Corperation.
 3. Coconut Development Board.
 4. Sri Lanka Ports Authority.

Special features of State Cooperation	Advantages	Disadvantages
<ol style="list-style-type: none"> 1. Ownership and control is possessed by the State. 2. With the purpose of providing common services. 3. Liability also lies with the State. 4. Gaining legality. 5. Registration is essential. 6. Continuous existence. 	<ol style="list-style-type: none"> 1. More suitable for the provision of essential services. 2. The basic purpose is social wellbeing. 	<ol style="list-style-type: none"> 1. Most probably these are being carried out under severe loss. 2. There are administrative problems due to inefficient control. 3. Political interferences being greater. 4. Difficult to establish.

Departments:

Departments are institutions which are completely under State control, established under a specific Parliamentary Act.

- i.e.
1. Department of Examinations
 2. Department of Agriculture.
 3. Department of Education.
 4. Department of Posts.
 5. Department of Railway Services.

Significant features of Departments	Advantages	Disadvantages
<ul style="list-style-type: none"> • Ownership and control is by the state. • Liability of the state is unlimited. • Registration is compulsory. • Having a continuous existence. • Absence of legality. 	<ul style="list-style-type: none"> • Ability of providing essential services to the general public. • Ability to provide large scale services. • State employees working. • All equally treated. 	<ul style="list-style-type: none"> • Control difficult • More rules and regulations implemented. • Inability to set up easily. • Most probably making a loss. • A large number of workers employed.

Instructions for activity planning

Assign the students to learn the lesson about the various business organizations in the class text.

- Sole trader businesses.
 - Partnership businesses.
 - Private limited companies.
 - Co-operative societies.
 - State corporations and departments.
-
- Distribute these topics among groups of students at random.
 - Get them to fill in the work sheet given by the teacher by referring to the text book.

Work Sheet
 **Business**

1. Give an introduction to the topic above.
2. List out the initial features of this Business.
3. State 3 advantages and 2 disadvantages of this business.
4. Present the information you collected in an appropriate manner, before the class.

- After assuring the accuracy of the details presented by the students instruct them to build up appropriate notes for this lesson.
- Complete the following table.

Sole Trade Business	Partnership	Incorporated Company	Corperative & Society	State Corperation State Department
1. Owner 2. Control 3. Existence 4. Liability 5. Legality 6. Registration 7. Capitalising 8. Advantages 1. 2. 9. Disadvantages 1. 2.				

Quality Inputs

- Business and Accounting Studies Text book for grade 10 - Lesson Three - Business Organisations.

Criteria for Assessment and Evaluation

- Gives the differences between a retail outlet in your area and a cooperative society.
- Names the significant features of sole trade business, partnership business and Incorporated company.
- Lists out the significant sectors of co-operative societies.
- Lists out the significant features of state cooperations and departments.
- Compares the significant features in each type of business.
- Provides relevant information through the work sheet.

Competency 3 : Inquires about types of business organizations and basic information regarding them and prepares facilities for the selection of businesses suited for one.

Competency Level 3.2 : Gains the fundamental skills of selecting an appropriate Business Organization.

No. of Periods : 02

Specific Learning Outcomes :

By the end of this activity the student should be able to achieve the following learning outcomes.

- Shows how to choose a business in accordance with aim.
- Shows how to choose a business on its scale.
- Shows how to choose a business on management.

Instructions for lesson planning :

Basic terms and concepts

There are two aims in choosing a business organization.

1. Profit earning objective.

ex. Retail trade business.

2. Social welfare objective.

ex. • Village Welfare Society.

- Buddhist Association.
- Funeral Aid Society.

- The business organization to be opened may be small scale or large scale according to the nature of the business, the desire of the business man and quantity of resources that could be collected by the owners. A person who has the intention of opening a sole proprietorship business, does not need a large quantity of resources. Even though a business is opened small scale, it can be gradually promoted to a large scale business.

The management of the business can be handled by the owner himself or by several persons.

Accordingly one can decide by himself the business which one is to be chosen.

(Choosing a state sector businesses is not negotiated hereby).

Instructions for activity planning

Call upon one or a few selected business men in your area and let the students discuss with him/them regarding the following matters.

- The nature of their business.
- The business desire.

- Name of the business.
- The place where business is located.
- Aim of opening the business.
- The initial capacity and the current capacity of the business.
- The way in which the business was controlled at the beginning and the way in which it is controlled at the moment.
- Provide a work sheet similar to the following to the students after the discussion and derive the following facts.

Work sheet

- There is a chance for you to open a business.
 1. Name the business to be opened by you.
 2. Name the aim of your business.
 3. State whether it is a small scale or a large scale business, with fair reasons.
 4. Explain how your business is expected to be controlled.
 5. Make a clarification adjusting the facts recalled from the work sheet with the expected subject matter.

Quality Inputs

- Business and Accounting Studies Text book for grade 10 - Lesson Three - Business Organisations.

Criteria for Assessment and Evaluation

1. Lists out the facts considered, when a business organization is chosen.
2. Presents the aim based on which a business organization is chosen.
3. Presents 3 reasons for choosing a small scale business.
4. Presents the method of controlling each of the following business organizations.
 - Sole proprietorship.
 - Partnership business.
 - Incorporated company.
 - Co-operative societies.
 - Societies (Welfare).

Competency 3 : Inquires about types of business organizations and basic information regarding them and prepares facilities for the selection of businesses suited for one.

Competency Level 3.3 : Follows the steps in the registration of a sole proprietorship business.

No. of Periods : 02

Specific Learning Outcomes :

By the end of this activity the student should be able to achieve the following learning outcomes.

- Provides instance for various types of businesses that could be opened as sole proprietorship business.
- Fills in the documents needed in opening a sole proprietorship business.
- Instructs the parties with the need of registering a sole proprietorship business.
- Points out the uses of a sole proprietorship business being registered.

Instructions for lesson planning :

Basic terms and concepts

Steps to be followed in a sole proprietorship Business being Registered.

1. Obtaining the relevant application form from the divisional secretariat producing one's National Identity Card.
2. Filling in of the application form.
3. Producing the completed application to the divisional secretariat.
4. If the required qualifications have been fulfilled the business registration certificate is issued by the divisional Secretary.

Instructions for activity planning :

- Distribute a photocopy of an application form for Registering a sole proprietorship business among the students and point out the details in it.
- State that the business registration certificate should be obtained from the the completed application produced form, if the required qualifications are fulfilled.
- If the resources/facilities permit, plan to summon an officer from the divisional secretariat to the classroom and let him explain this practical procedure to the students.
- Make the students list out the steps to be followed in getting a sole proprietorship business registered after the relevant application form was filled.

Uses of Registration

- Getting approval for the business.
- Getting legal acceptance for the business.
- Easy to obtain a bank loan when necessary.

Quality Inputs

- Business and Accounting Studies Text book for grade 10 - Lesson Three - Business Organisations.

Criteria for Assessment and Evaluation

- Presents instances of business opportunities that could be begun as sole proprietorship businesses.
- Lists out the steps to be followed in getting a sole proprietorship business registered.
- Presents the uses of registering a sole proprietorship business.
- States the businesses which are expected to be begun on one's own.

Competency 4 : Records transactions of a business.

Competency Level 4.1 : Presents transactions of a Business based on the Accounting Equation.

No. of Periods : 10

Specific Learning Outcomes :

By the end of this activity the student should be able to achieve the following learning outcomes.

- Explains Accounting.
- Presents aims and the need of Accounting.
- Explains business transactions and presents examples.
- Present transactions where assets, liabilities, income expenses and equity are highlighted.
- Presents the Accounting Equation in a situation where external liability is absent.
- Explains, based on examples, situations where equity change.

Instructions for lesson planning :

Basic terms and concepts

Accounting

- Accounting is recording the transactions of a business measurable in terms of money in account books, their classification, preparation of financial reports and the provision of information to parties who need them.

Aim of Accounting

- The main aim of Accounting is the preparation of useful information for parties displaying a liking for business to take decisions.

Necessity of Accounting

1. Maintenance of the limited resources of a business subject to control.
2. By noting down the transactions of business, oversights and delays can be minimized.
3. Measurement of profit-loss situation and financial/situation of the business.
4. Implementation of legal requirements like payment of income tax.
5. Planning and maintenance of future business activities.

Business Transactions

- Basically business transactions take place for cash or on credit.
- In cash transactions, either cash is received or paid when the transaction occurs.
 - eg. • Purchase of a consignment of goods for Rs. 15,000 to be resold.
This is a cash transaction.
 - Purchase of a stock of goods for Rs. 50,000 from Asiri Traders with the promise of repaying after one month. This is a credit transaction.
- In business assets, liabilities, income, expenses and equity arise as a result of the transactions taking place in a business.

Assets

Resources that result from the transactions of a business, gain economic profits to the business and are managed by the business, are assets.

eg. The buildings, motor vehicles, stocks of goods, cash etc.

Liabilities

Debts payable by the business to external parties are liabilities.

eg. A loan of Rs. 50000 taken by A for his business.

Equity

Equity is the amount of a business owned out of its assets by the owner. Equity is derived by subtracting the total liabilities from the total assets of the business.

eg. "A" starts a business investing Rs. 100,000. Here the equity of 'A' or his capital is Rs. 100,000.

Income

Earnings from the operational activities of the business is Income.

eg. In A's business.

Cash down sales Rs. 70,000

Credit sales Rs. 50,000

Expenses

Resources that contribute to earning income in the operational activities of the business are called expenses.

eg. Employee salaries Rs. 4,000

Insurance costs Rs. 1,000

Transport expenses Rs. ,500

Influence on Business Transactions on assets, liabilities, income, expenses and equity.

eg. 01. • Opening up of a business by Sapumal Bandara on 2013.03.31 investing Rs. 200,000.

- arise an "Equity" through the investment of Rs. 200,000 for the commencement of the business (The total capital)
- Along with the receipt of cash Rs. 200,000 for the business. This is its "Assets".

eg. 02. • Purchase on credit, goods for cash Rs. 50,000 from Chathusi Traders on 2013.3.2 for resale.

- The stock of goods purchased for same are the '**Assets**' of the business.
- The sum of Rs. 50,000 payable to Chathusi Traders are **Liabilities**.

Accounting Equation

There is a dual affect on the transactions measurable in terms of money, taking place in a business. An equation can be built to record this dual affect. This is the Accounting Equation.

Components of the Accounting Equation.

1. Assets
2. Liabilities
3. Equity

Building up the Accounting Equation

- The Accounting Equation when only the owner provides resources.

$$\text{Assets} = \text{Equity (Capital)}$$

Commencement of a business by Dhananjaya investing Rs. 100,000.

Assets	-	Capital
100000	-	100,000
(Cash)		(Capital)

- The Accounting Equation when the owner and external parties have provided resources.

$$\text{Assets} = \text{Capital} + \text{Liabilities}$$

Obtaining a bank loan of Rs. 50,000 for a business set up by Dhananjaya.

Assets	-	Capital	+ Liabilities
150,000	-	100,000	+ 50,000
(Cash)		(Capital)	(Bank Loan)

Instances where "Equity" changes

- Introduction of additional capital
- Purchases
- Income
- Expenses

The Accounting Equation when introducing additional capital.

- Assets (cash) increases
 - Equity (capital) increases.
- eg. Information on the business set up by Sapumal Bandara.
2013.3.1 investing Rs. 200,000 and setting up the business.
2013.3.5 investing the lottery prize money of Rs. 40,000 on the business.

Date	Assets	Equity (Capital)
2013.3.1	Cash 200,000	Capital 200,000
2013.3.5	Cash 40,000	Capital 40,000
	240,000	240,000

Values are as below after influence of transactions as of 2013.3.5.

$$\begin{aligned} \text{Assets} &= \text{Equity (Capital)} \\ \text{Rs. 240000} &= \text{Rs. 240000} \end{aligned}$$

The Accounting Equation with drawings.

Drawings is the accession for personal use, money, goods, stocks or other assets belonging to the business by the owner of the business.

- Decrease assets
 - Decrease equity.
- eg. As at 2013.3.5 the assets of Rs. 240,000 including equity is Rs. 240,000 on 2013.3.8 the owner of the business Sapumal Dhananjaya drawings of Rs.5,000 for personal use.

As a result of this transaction the Accounting Equation is as below.

Date	Assets	Ownership (Capital)
2013.3.5	240,000	240,000
2013.3.8	Cash - 5,000	Withdrawal - 5,000
	235,000	35,000

After the transaction of 2013.03.08 the value is as below.

$$\begin{aligned} \text{Assets} & \qquad \qquad \qquad \text{Equity (Capital)} \\ \text{Rs. 235,000} & \qquad \qquad \qquad \text{Rs. 235,000} \end{aligned}$$

The Accounting Equation with the transactions related to "Income"

- Cash sales, credit sales, commission receipts, interest receipts, investment, income etc is income.
 - Increase Assets
 - Increase equity
- in the business as a result of income.

eg. As of 2013.03.08 the total assets of the business is Rs. 235000, total equity of the business is Rs.235,000. Given below are a few transactions that took place in that business.

On 2013.3.10 sales Rs. 15,000.

2013.3.12 credit sales Rs. 20,000. 2013.03.14 interest Rs. 4,000

When the effect of the transactions above is shown through the Accounting Equation.

Date	Assets	Equity
2013.3.8	235,000	235,000
2013.3.10	Cash + 15,000	Sales + 15,000
2013.3.12	debtors + 20,000	Sales + 20,000
2013.3.14	Cash + 4,000	Interest + 4,000 income
	274,000	274,000

The accounting Equation with the transactions related to "expenses"

decrease Assets

decrease equity

As of 2013.3.14 the assets of Rs. 274,000 and the equity Rs. 274,000.

Given below are a few transactions of a business

2013.3.15 Wages Rs. 6,000

Advertisement Rs. 14,000

Date	Assets	Equity
2013.3.14	274,000 =	274,000
2013.3.15	Cash - 6000	Wages - 6,000
	Cash - 14000	Advertisement + 14,000
	254,000	254,000

Exercises 2013 Transactions in Samans business are as below'

- 2013.4.3 Investing Rs. 200,000 in the business.
- 2013.4.5 Purchase of stocks Rs. 50,000
- 2013.4.6 Purchases stocks on credit Rs. 25,000
- 2013.4.7 Obtained a bank loan Rs. 100,000
- 2013.4.9 Sales Rs. 75,000
- 2013.4.12 Bought a computer 50,000
- 2013.4.13 Sales Rs. 25,000
- 2013.4.15 Advertisement Rs. 2,000
- Power Rs. 1,000
- Wages Rs. 5,000

- 2013.4..20 Income from commision Rs 2,500
 2013.4..25 Payment of Bank Instalement Rs 20,000
 2013.4..25 Withdrawals Rs 5,000
 2013.4..25 Furniture Rs 12,000
 2013.4..26 Rs 150,000 worth Motor Bicycle invested as extra capital

As a result of this transactions the influence on the accounting equation is as below

Assets			=	Equity (Capital)		+	Liabilities	
1	Cash	200,000	=	200,000				
2	Stock	+50,000	=					
	Cash	(50,000)		.....			
3	Stock	+25,000	=	.....		+	25,000, Creditors	
4	Cash	+100,000	=			+	100,000, Bank	
							Loan	
5	Cash	+ 75,000	=	Sales +75,000		+	.....
6	Computer	+50,000	=	.....		+	.....
	Cash	- 50,000						
7	Stock	- 20,000	=	Profit + 5,000				
	Debtors	+ 25,000						
8	Cash	- 8,000	=	advertisement - 2,000				
				Electrycity - 1,000				
				Wages - 5,000				
9	Cash	+ 2,500	=	Commision+ 2,500		+	.....
10	Cash	- 20,000	=	.....		+	(20,000), Bank loan	
							instalment	
11	Cash	- 5,000	=	Withdrawals-5,000				
12	Cash	- 12,000	=					
	Furniture	+12,000						
13	Motor Bicycle	+ 150,000	=	Extra Capital+150,000		+	.....
		524,500						
				+ 4,195,00			+ 105,000	

Instructions for activity planning :

Discuss about the Assets, Liabilities, Income, Expenses and Equity in terms of the transaction that occurred in the Canteen, Cooperative, or Grocery in your school.

Using the text book develop transactions relevant to each component above.

Using the text book provide guidance to students on the application of these transactions as an accounting equation.

Discuss a number of ways in which transactions that occur in business of this type and involve the students in exercises.

For this competency level, employ a number of lessons so as to disclose the relevant subject matter and the learning outcomes that should be developed in the students from introduction to accounting to the entry of transactions in the accounting equation.

Quality Inputs

- Business and Accounting Studies Text book for grade 10 related lessons.

Criteria for Assessment and Evaluation

1. States the main objective of accounting.
2. Develops several transactions and applies them in the accounting equation.
3. Presents separately the affect that the transactions below have on the components of the accounting equation.
Purchase of stock Rs. 50,000
Sales Rs. 12,000 on credit which cost of Rs. 10,000
4. Develops accounting equation in instances where there are external liabilities.
5. Names three transactions that affected change in the equity and writing out how they affected equity.

Competency 4 : Records the transactions in a business.

Competency Level 4.2 : Records the dual affect of a transaction in accordance with the double entry systems.

No. of Periods : 08

Significant Learning Outcomes :

By the end of this activity the student should be able to achieve the following learning outcomes.

- Demonstrates the dual affect of a transaction.
- Presents the double entry system.
- Names the categories of Accounts in the ledger.
- Records the transactions in ledger.

Instructions for lesson planning :

Basic terms and concepts

The dual affect of a transaction. There's a dual affect in any transaction. It can be presented as follows.

Transaction	The Dual affect
1. Introducing capital	increase cash increase equity
2. Purchase of goods.	increase (stock) assets. decrease (cash) assets.
3. Obtained bank loan.	increase (cash) assets. increase (bank loan) liabilities.
4. Cash sales.	increase (cash) assets. increase sales revenue.
5. Payment of employee wages.	increase wages expenses. decrease (cash) assets.
6. A motor vehicle as additional capital.	increase (Motor vehicles) assets increase equity.
7. Drawings in cash.	decrease equity. decrease (cash) assets.
8. Settlement of a bank loan.	decrease (Bank loan) liabilities decrease (cash) assets.
9. Credit sales	increase sales revenue. increase (debtors) assets.
10. Credit purchases	increase (stock) assets. increase (creditors) liabilities

The Double Entry System :

The way of recording the dual affect of a transaction as 'debit' and 'credit' in two ledger accounts at the same time is known as the "Double Entry System".

The recording is carried out under 5 basic principles known as basic double entry principles. These double entry principles are as follows.

1. Increasing equity - Capital Acc. Cr.
Decreasing equity - Capital Acc dr
2. Increasing liabilities - Liability Acc Cr.
Decreasing liabilities - Liability Acc dr.
3. Increasing assets - Asset Acc Cr.
Decreasing assets- Asset Acc dr.
4. Increasing Expenses - Expense Acc Cr.
Decreasing Expenses - Expenses Acc dr.
5. Increasing income - Income Acc Cr.
Decreasing income - Income Acc dr.

The Account and its Format

All financial transactions involving the business are recorded in a format called an account. There are 5 types of ledger accounts in a business.

1. Asset Account
2. Liability Account
3. Equity Account
4. Revenue Account
5. Expense Account

• The ledger

The ledger is the book where various ledger accounts are maintained.

Posting Transactions to Ledger Accounts

Dr	Cash	Account	Cr
	Rs.		Rs.
1. Capital Acc	50 000	2. Purchases acc	12 000
3. Bank Loan	60 000	5. Wages acc	3 000
4. Sales acc	50 000	4. Drawings acc	1 000
		8. Bank loan acc	10 000
		balance c/d	134 000
	<u>160 000</u>		<u>160 000</u>
balance b/F	134 000		

cd • balance carried down

bf •• balance brought forward

Capital Account

b/c/d	150 000	(1) Cash acc	50 000
	<u>150 000</u>	(6) M. Vehicle acc	100 000
			<u>150 000</u>

Purchases Account

2. Cash	12 000		
10. Creditors	45 000		

Bank Loan Account

8. Cash acc	10 000	(3) Cash acc	60 000
b/c/d	50 000		<u>60 000</u>
	<u>60 000</u>		<u>60 000</u>
		b/b/F	50 000

Sales Account

b/c/d	70 000	(4) Cash acc	50 000
	<u>70 000</u>	(9) debtors acc	20 000
			<u>70 000</u>
		b/b/F	70 000

Motor Vehicle Account		Cr
Dr		
6. Capital acc : 100 000		
Drawings Account		
7. Cash acc: 1 000		
Debtors Account		
9. Sales acc: 20 000		
Creditors Account		
	10 Purchases Acc. 45 000	

After the transactions of the accounting period have been recorded in accounts following double entry principles, make the students get used to balancing each account and carrying the balance forward.

Assign several exercises of this type to the students and check their accuracy.

Instructions for lesson planning :

- Write down five transactions with amount, such as assets, liabilities, revenue, expenses, equity, drawings, introducing additional capital, settling the loan instalments etc., on cards or in paper strips.
- Write down the double entries related to the above five transactions on five separate cards or strips of paper.
- Put all the cards and paperstrips prepared into a box.
- Call upon five students one after the other and instruct them to draw out a card at random.
- Provide the following instructions to the students.
 - Name the
 - asset account
 - liability account
 - equity account
 - revenue account
 - expense account related to the transaction or the double entry mentioned on the card or the paper strip received by each.
- If a transaction has been received find out the relevant double entry from the student who has already got it and vice versa.
- Let them write down the transaction double entry and the relevant account for each and every transaction (all the five transactions) in the note book.
- Get the cards changed until each student has got all the five cards and noted them down.
- Let them transfer these transactions in the relevant ledger accounts.

Quality Inputs

- Business and Accounting Studies Text book for grade 10 related lessons.

Criteria for Evaluation and Assessments

- Posting all the transactions in a business to the ledger as follows.

Cash Account	
Dr	Cr
1. Capital Acc 100 000	3. Purchases Acc 20 000
2. Bank Loan 50 000	5. Equipment Acc 30 000
4. Sales acc 40 000	6. Bank Loan Acc 10 000
8. Commission received Acc 5 000	7. Advertising Exp. Acc 2 000
10. Debtors Acc 4 000	
Debtors' Account	
9. Sales 50 000	10. Cash 4 000
Purchases Account	
3. Cash 20 000	
11. Creditors 15 000	
Creditors Account	
	11. Purchases 15 000
Sales Account	
	4. Cash 40 000
	9. Debtors 50 000

1. Listing out the transactions that took place in the business, in order.
2. Writing down 5 business transactions along with the amount, posting them to the ledger accounts in the double entry systems and balancing the accounts.
3. Studying an event created on assumed data and
 1. Stating the dual effect of each.
 2. Stating the relevant double entry.
 3. Preparing the ledger accounts.
4. Write down the double entry related to each transaction mentioned in the following table.

5. Writing the dual effect of each transaction mentioned in that table.

Transaction	Double entry
1. Credit sales 2. Credit purchases 3. Bank Loan 4. Cash received from debtors 5. Settling of bank loan 6. Cash drawings 7. Paying rent 8. Received commission 9. Investing additional Capital 10. Purchase of Equipment	

Competency 5 : Records the transactions in prime entry books and posts them to the ledger. .

Competency Level 5.1 : Maintains cash book to record cash transactions.

No. of Periods : 03

Significant Learning Outcomes :

By the end of this activity the student should be able to achieve the following learning outcomes.

- Explaining and naming of prime entry books.
- Indicates importance of prime entry books.
- Explains the importance of source documents.
- Names relevant source documents for each prime entry book.
- Explains the cash book and its importance.
- Records transaction in cash book.
- Explains dual role of a cash book.
- Records transaction into the ledger.

Instructions for lesson planning :

Basic terms and concepts

Cash book and its importance

Document where records of details of transactions are recorded is known as the source document. A book where transactions are recorded with the aid of the source document is known as the prime entry book.

While a source document is born with respect to every transaction, there is the prime entry book to record them. This can be presented as follows.

Nature of transaction	Source document	Prime Entry Book
1. Cash receipts Cash payments	Receipts Vouchers	Cash book Cash book
2. Cheque payments	Cheque Counterfoil	Bank accounts
3. Petty cash payments	Petty cash vouchers	Petty cash book
4. Purchase of goods	Purchase invoice	Purchase journal
5. Sale of goods	Sales invoice	Sales journal
6. Other transactions	Journal voucher	General journal

Information included in a source document.

- Date of transaction
- Names and addresses of parties to the transaction
- Details of transaction
- Total value
- Signature and stamp etc.

Cash book and its importance

The Cash book is a prime entry book where records of cash receipts and payments of a business for a particular period are maintained.

Cash book plays a dual role. That is

1. Acts as an account in the ledger.
2. Acts as a prime entry book.

Recording of cash receipts.

- Introduction of capital
- Cash sales
- Receipt of loan
- Cash receipts from debtors
- Rent received
- Interest received
- Sales proceeds from sale of fixed assets.

Recording of cash payments

- Cash purchases
- Payments to creditors
- Bank loan instalment
- Payments of Electricity/Rent/Salary
- Purchase of Fixed Assets
- Cash drawings

Receipt is used to record cash receipts and vouchers are used to record cash payments.

Principle of Assets is used to record transaction in the cash book.

Increases in cash asset	Cash book - Debit
Decreases in cash asset	Cash book - Credit

Format of cash book

Debit				Cash book		Credit			
Date	Rec. No.	Details	L/F	Cash (Rs.)	Date	Vou. No.	Details	L/F	Cash

Recording of transactions in cash book.

Transactions are recorded according to the double entry principle.

Example

The following transactions are related to Sumana's business for period of two weeks.

Rec. No. 01	01/1/13	Introduction of capital	Rs. 50,000
Rec. No. 10	02/01/13	Bank loan	Rs. 50,000
Vou. No. 01	03/01/13	Purchase of goods	Rs. 30,000
Rec. No. 22	04/01/13	Cash sales	Rs. 60,000
Vou. No. 02	06/01/13	Purchase of furniture	Rs. 10,000
Vou. No. 03	07/01/13	Salary Paid	Rs. 2,500
Rec. No. 07	08/01/13	Other income	Rs. 12,000
Vou. No. 04	09/01/13	Cash Drawings	Rs. 1,000
Rec. No. 25	10/01/13	Cash Sales	Rs. 50,000
Vou. No. 05	15/01/13	Cash Purchases	Rs. 25,000

1. Required to

1. Provide double entries of transactions.
2. Record transactions in cash book
3. Record them into the ledger
4. Balancing of cash book and other ledger accounts.

2. Examine the answer according to the student activity

Cash Book

Date	R/N	Details	L/F	Cash	Date	V/N	Details	L/F	Cash
1/1	01	Capital a/c		50,000	1/3	01	Purchase		30,000
1/2	10	Bank loan		50,000	1/6	02	Furniture		10,000
1/4	22	Sales a/c		60,000	1/7	03	Salary		2,500
1/8	07	Other Income		12,000	1/9	04	Drawings		1,000
1/10	25	Sales ac		50,000	1/15	05	Purchases		25,000
				<u>222,000</u>			Bal. c/d		<u>153,500</u>
									<u>222,000</u>
1/16		Bal. b/d		153,500					

(1)	Cash Account	Debit	50,000
	Capital Account	Credit	50,000
(2)	Cash Account	Debit	50,000
	Bank loan Account	Credit	50,000
(3)	Purchase Account	Debit	30,000
	Cash Account	Credit	30,000
(4)	Cash Account	Debit	60,000
	Sales Account	Credit	60,000
(5)	Furniture Account	Debit	10,000
	Cash Account	Credit	10,000
(6)	Salary Account	Debit	2,500
	Cash Account	Credit	2,500
(7)	Cash Account	Debit	12,000
	Other Income Account	Credit	12,000
(8)	Drawings Accounts	Debit	1,000
	Cash Account	Credit	1,000
(9)	Cash Account	Debit	50,000
	Sales Account	Credit	50,000
(10)	Purchase Account	Debit	25,000
	Cash Account	Credit	25,000

Capital Account

Dr			Cr	
1/15	Balance c/d	50,000	1/1	Cash a/c
		<u>50,000</u>		50,000
		<u>50,000</u>	1/16	Balance b/d
				50,000

Bank Loan Account

1/15	Balance c/d	50,000	1/2	Cash a/c	50,000
		<u>50,000</u>			50,000
		<u>50,000</u>	1/16	Balance b/d	50,000

Purchase Account

1/3	Cash a/c	30,000	1/2	Balance c/d	55,000
1/15	Cash a/c	<u>25,000</u>			
		<u>55,000</u>			55,000
1/16	Balance b/d	55,000			

Furniture Account

1/6	Cash a/c	10,000	1/15	Balance	10,000
		<u>10,000</u>			10,000
1/16	Balance b/d	10,000			

Salary Account

1/7	Cash a/c	2,500	1/15	Balance c/d	2,500
		<u>2,500</u>			2,500
1/16	Balance	2,500			

Other Income Account

Dr		Cr
1/15 Balance c/d	12,000	1/8 Cash a/c
	12,000	12,000
	12,000	12,000
		1/16 Balance b/d
		12,000

Drawings Account

1/9 Cash c/d	1,000	1/15 Balance c/d	1,000
	1,000		1,000
	1,000		1,000
1/16 Balance b/d	1,000		

Sales Account

1/15 Balance b/d	110,000	1/4 Cash a/c	60,000
		1/10 Cash a/c	50,000
	110,000		110,000
	110,000		110,000
		1/16 Balance b/d	110,000

Exercise

01. Following transactions are related to Jerman Business for the month of December 2012.

	Rs.
01/12/2012 Cash balance	150,000
05/12/2012 Purchase of goods	50,000
05/12/2012 Cash sales	75,000
07/12/2012 Credit sales	100,000
10/12/2012 Credit purchase	30,000
12/12/2012 Credit sales	45,000
15/12/2012 Cash sales	50,000
20/12/2012 Cash purchase	40,000
25/12/2012 Bank loan obtained	25,000
26/12/2012 Cash receipts from Debtors	25,000
Cash payments to Creditors	30,000

Required

1. Record them in ledger accounts
2. Balance the accounts
3. Name transactions which are not recorded in the cash book.

02. Sales accounts is a/an

1. Expense a/c
2. Asset a/c
3. Liability a/c
3. Income a/c

Instructions for activity planning :

- The following transactions are related to two businesses for the first two weeks of January 2013.

Kumari's business		Kusum's business	
1) Introduction of capital	50,000	1) Obtainment of loan	45,000
2) Purchase of goods	10,000	2) Purchase of goods on credits	15,000
3) Cash sales	40,000	3) Cash sales	25,000
4) Payment of Electricity	5,000	4) Employee salary	4,000
5) Cash drawings	1,000	5) Additional capital	10,000

- Divide the students into two groups giving them each of the businesses.
- Give transactions for each of the groups.
- Ask them to analyse cash receipts and payments
- Instruct them to write double entry for each of their transactions
- Ask them to prepare prime entry books and post them to ledger accounts
- Give a similar activity to the students to develop their subject matter and learning process

Quality Inputs

- Business and Accounting Studies Text book for grade 10 related lesson

Criteria for Assessment and Evaluation

1. Writes 3 cash receipts and 3 cash payments of a business (with values).
2. Record them in a cash book and balance the accounts.
3. Supply 4 transactions which will not be recorded in the cash book.
4. Record transactions in a cash book and post them to ledger accounts.
5. Work in a cooperative manner.

Competency 5 : Records Transactions in prime entry books and posts them to ledger accounts.

Competency Level 5.2 : Records bank transactions in bank accounts.
Periods : 03

Learning outcomes:

By the end of this activity the student should be able to achieve the following learning outcomes.

- Name source documents for bank transactions.
- Record cash deposits cheque deposits and cheque payments in a bank account.
- Record dishonoured cheques giving reasons for same.
- Calculate the bank balance.
- Explains the bank overdraft.

Instructions for lesson planning :

Basic terms and concepts

- Source documents
 - Cheque deposit slip and cheque counterfoil.
- Record transactions in a bank account.
 - Cash deposits
 - Cheque deposits
 - Withdrawal of money from bank.
 - Issue of cheques
 - Dishonouring of a cheque.
 - Explains how bank overdrafts occur

Teaching - Learning Process

- Present the following transactions of a business to the students and get them to provide double entry.
 - 1/1/2013 Cash receipt of Rs. 10,000 from Sara a debtor.
 - 3/1/2013 Deposits Rs. 80,000 in a bank.
- Select the transaction which will be recorded in an account and double entry.
 - Ask students to write a transaction for the following.
 - Cash deposits
 - Receipt of cheque
 - Deposit of receipt cheque

- Issue 3 cheques for 3 types of transactions
- Dishonouring of deposited cheque
- Dishonouring of issued cheque
- Instruct students to record bank transactions in bank account and ledger accounts.
- Lead them to balance the bank account.
- Explain how bank overdraft exists.
- Instruct students to practice the following.

1. The following transactions are related to Soorya's business for the month of March 2013.

	Rs.
1/3 Bank balance	110,0000
2/3 Cash sales	50,000
3/3 Deposits	30,000
Payment of electricity bill	5, 000
6/3 Paid to Kalum through a cheque.	4,000
7/3 Received Cheque from Sameera	15,000
10/3 Insurance paid by cheque	4,000
12/3 Withdrawal of Money from bank	10,000
15/3 Salary paid in cash	8,000
16/3 Deposit cheque received on 7/3	
16/3 Deposit Kamani's, cheque (10,000) on the same day.	
17/3 A cheque issued to Kalum was dishonoured	
20/3 Rs. 50,000 deposited in the bank	
25/3 A cheque which was diposited was dishonoured	

- Instruct students to give double entries
- Ask students to give duple entries for the transaction which was held on 25/3

Answer	Bank a/c	debit	10,000
	Kamani	Credit	10,000
	Kamani	Debit	10,000
	Bank a/c	Credit	10,000

Highlight transactions which will involve bank a/c and cash book.

Instruct students on how to record transactions in a bank a/c and ledger.

- Provide a few exercises of this nature to students and direct them to solve same.
- Provide students an exercise where they obtain a bank overdraft.

Bank Account

Date	Receipt No	Details	L/F	Amount Rs.	Date	Vou. No.	Details	L/F	Amount Rs.
1/1	x		x		2/1	x		x	
10/1	x		x		6/1	x		x	
25/1	x		x		14/1	x		x	
29/1	x		x		17/1	x		x	
29/1	x		x		18/1	x		x	
					20/1	x		x	
					22/1	x		x	
					23/1	x		x	
					25/1	x		x	
					31/1	x		x	
									xx

Quality Inputs

- 1. Business and Accounting Studies Text book for grade 10 Lesson.

Criteria for Assessment and Evaluation

- Present resource documents for bank account
- Writes 3 transactions which will be recorded in the cash book as well as cash account according to double entry system
- Explains bank overdraft
- Prepares bank account and balances it with the 4 transactions given.

Competency 5 : Records Transactions in prime entry books and posts them to the ledger accounts.

Competency Level 5.3 : Preparation of Bank Reconciliation Statement

Periods : 05

Learning outcomes:

By the end of this activity the student should be able to achieve the following learning outcomes.

- Explains Bank statement.
- Gives reasons for the differences between Bank Statement balance and bank balance.
- Rectify bank balance.
- Preparation of bank Reconciliation Statement with a favourable balance.

Instructions for lesson planning :

Basic terms and concepts

- Explains bank statement.
- Reasons for the differences between bank statement and bank balance.
- Preparation of bank reconciliation statement even balance of bank account and bank statement agrees.
- Reasons for the difference.
- Rectifies the bank account based on selected reasons for the difference.
- Preparation of bank reconciliation statement based on rectified bank account.

Expect presentation of bank reconciliation statement with favourable balance at this level.

Instructions for activity planning :

- Explains bank statement
- Guide students to prepare bank statement with the given information.
- Highlight the items which will be recorded in the bank account.
- Give the relationship between balance of bank statement and bank account.
- Give reasons why balance of bank statement and bank account deviate.

- Give the following exercise to the students.

Bank Account

1/5	Balance	40,000		1/5	David	CH 100	8,000
2/5	Cash Deposit	10,000		9/5	Keels	CH 101	5,000
10/5	Saman	6,000		27/5	Electricity	CH 102	1,000
22/5	Kumara	4,000		30/5	Rent	CH 103	7,000
		60,000		31/5	Balance	c/a	39,000
		60,000					60,000
1/6	Balance c/d	39,000					

Bank Statement

Date	Details	Debit (Rs.)	Credit(Rs.)	Balance (Rs.)
01/05/2013	Balance	-	-	40,000
01/05/2013	David CH 100	8,000		32,000
02/05/2013	Cash deposit	-	10,000	42,000
03/05/2013	Deposit- Samara	-	5,000	47,000
09/05/2013	Keells CH 101	5,000	-	42,000
10/05/2013	Saman	-	6,000	48,000
28/05/2013	Bank charges	200	-	47,800
28/05/2013	Standing order - Insurance	2,000	-	45,800
30/05/2013	Cheque book charges	100	-	45,700

- Elicit students' ideas about two balances of bank statement and bank account as of 30/05/2013.
- Instruct them to list reasons for the difference.
- Ask the students to select items which will be recorded in the rectified bank account.
- Guide them to prepare a bank reconciliation statement as of 30/05/2013 rectified bank account balance.
- Preparation of bank reconciliation statement.
Explain logically why we add unpresented cheques and deduct unrealized cheques to the rectified bank account balance.
- Direct them to prepare a few exercises.

Quality Inputs

- Business and Accounting Studies Text book for grade 10 Lesson.

Criteria for Assessment and Evaluation

- Names four items included in a bank statement
- Prepares a bank statement with the given information
- Presents reasons for the difference between bank account and bank statement balances.
- Rectifies the bank account
- Prepares bank reconciliation statement with a favourable balance.

Competency 5 : Record Transactions in prime entry books and posts them to ledger accounts.

Competency Level 5.4 : Record cash discount in cash book

Periods : 03

Learning outcomes:

By the end of this activity the student should be able to achieve the following learning outcomes.

- Explain cash discounts
- Name source documents for discounts
- Record transactions in cash book to ledger accounts
- Post transactions in cash book to ledger accounts

Instructions for lesson planning :

Basic terms and concepts

- Cash discount
- Discount allowed, Discount received
- Name source documents in cash book with discount columns
- Post transactions in cash book from discount column to the ledger
 - Discount allowed account
 - Discount received account
 - Other ledger account
- Double entries for discount columns
- Discount allowed - Discount allowed account - Debit
Debtor's account - Credit.
(Total of discount column in debit side of cash account)
- Discount received - Creditor account - Debit
- Discount received account - Credit
(Total of discounts column in credit side of cash book)

Instructions for activity planning :

- Solve the following example with the students.
- Following transactions occurring in Sumaga's business for the month of April 2013.

		Rs.
1/4	Cash balance	50,000
3/4	Cash sales	30,000
4/4	Credit sales - Kamal	150,000
	- Kumara	20,000

5/4	Cash purchase		40,000		
	Credit purchase -	Asha	30,000		
	-	Nisha	5,000		
10/4	Salary paid		1,000		
	Electricity Paid		2,000		
	Payment of insurance		1,500		
	Entertainment expenses		500		
15/4	Paid to Asha		9,400	Discount	600
16/4	Paid to Nisha		4,800	Discount	200
17/4	Receipts from debtors				
	Kamal		9,500	Discount	200
	Kumara		19,500	Discount	500
25/4	Purchase of equipment		10,000		

Guide students to record above transactions in cash book with discounts column.

Date	Details	Discount	Cash	Date	Details	Discount	Cash
1/4	Balance		50,000	5/4	Purchase		40,000
3/4	Sales		30,000	10/4	Salary		1,000
17/4	Kamal	200	9,800		Electricity		2,000
	Kumara	500	19,500		Insurance		1,500
					Entertainment		500
					Asha	600	9,400
					Nisha	200	4,800
					Equipment		10,000
					Balance c/a		40,100
		700	109,300			800	109,300

Discount Allowed

Discount Received

30/4 Debtors 700

30/4 Creditors 800

Kamal's Account

Dr			Cr		
4/4	Sales	15,000	17/4	Cash	9,800
				Discounts allowed	200
			30/4	Balance c/d	5000
		15,000			15,000
		15,000			15,000
1/5	Balance b/d	5000			

Asha's Account

	15/4	Cash	9,400		5/4	Purchasees	30,000
		Discount received	600				
	30/4	Balance c/d	20,000				
			30,000				30,000
			30,000		1/5	Balance	20,000

Kumara's Account

	4/4	Sales	20,000		7/4	Cash	19,500
						Discount allowed	500
			20,000				20,000
			20,000				20,000

Nisha's Account

	16/4	Cash	4,800		5/4	Purchase	5,000
		Discount allowed	200				
			5,000				5,000
			5,000				5,000

- Instruct students to prepare other ledger accounts.
- Give examples with discount to students.

Quality Inputs

1. Business and Accounting Studies Text book for grade 10 Lesson.

Criteria for Assessment and Evaluation

- Explain cash discounts
- Prepare cash book with discount column and post them to ledger accounts
- Transactions of discount column
 - Double entry
 - Present the ledger
- Explain how discount allowed and received arise by giving examples.

Competency 5 : Record Transactions in prime entry books and post them to ledger accounts.

Competency Level 5.5 : Maintain petty cash book to record petty expenses.

Periods : 03

Learning outcomes:

By the end of this activity the student should be able to achieve the following learning outcomes.

- Indicates petty expenses
- Names source documents for petty cash book
- Explains petty cash imprest
- Prepares petty cash book with analysis columns
- Explains of petty cash
- Post transactions in petty cash book to ledger

Instructions for lesson planning :

Basic terms and concepts

- Explains petty cash transaction with the importance of petty cash book
- Names source documents for petty cash
 - Receipt
 - Petty cash vouchers
- Explains petty cash imprest
- Prepare petty cash book and post them to ledger
- Balance the petty cash book and reimburse cash

Instructions for activity planning :

- Guide students to record following transactions in petty cash book according to the format.

Following transactions are related to Mohamed's business for the month of May 2013.

			Rs.
1/5	R.N . 003	Cash receipt from the main cashier	2,000
2/5	V.N. 102	Stationary expenses	150
5/5	V.N. 103	Entertainment	200
7/5	V.N. 104	Cleaning	60
10/5	V.N. 105	Postage	200
12/5	V.N. 106	Stamps	50
15/5	V.N. 107	Pens/ Pencils	110
20/5	V.N. 108	Sugar/ Tea	100

22/5	V.N. 109	Photocopy	75
25/5	V.N. 110	Registration	105
26/5	V.N. 111	Typewriter ribbon	150
28/5	V.N. 112	Carbon paper	75
29/5	V.N. 113	Entertainment	250
29/5	V.N. 114	Purchase of furniture	750
30/5	Reimbursement of petty cash.		

Format of Petty Cash book

Receipts	L/F	Date	Details	V.N.	Payments	Analysis columns			
						Rs.	Postage	Entertainment	Travelling	Other

Quality Inputs

- Business and Accounting Studies Text book for grade 10 related lesson

Criteria for Assessment and Evaluation

- States the importance of petty cash book.
- Explains the petty cash imprest system and the reimbursement of petty cash imprest,
- Prepares petty cash book with given transactions.
- Reimbursement of petty cash imprest for the relevant period.

Competency 5 : Records the transactions in prime entry books and post them to ledger accounts.

Competency Level 5.6 : Preparation of purchase journal.

No. of Periods : 03

Significant Learning Outcomes :

By the end of this activity the student should be able to achieve the following learning outcomes.

- Explains the importance of purchase journal.
- Names source documents for purchase journal.
- Records transactions in purchase journal.
- Posts transactions in purchase journal to the ledger.

Instructions for lesson planning :

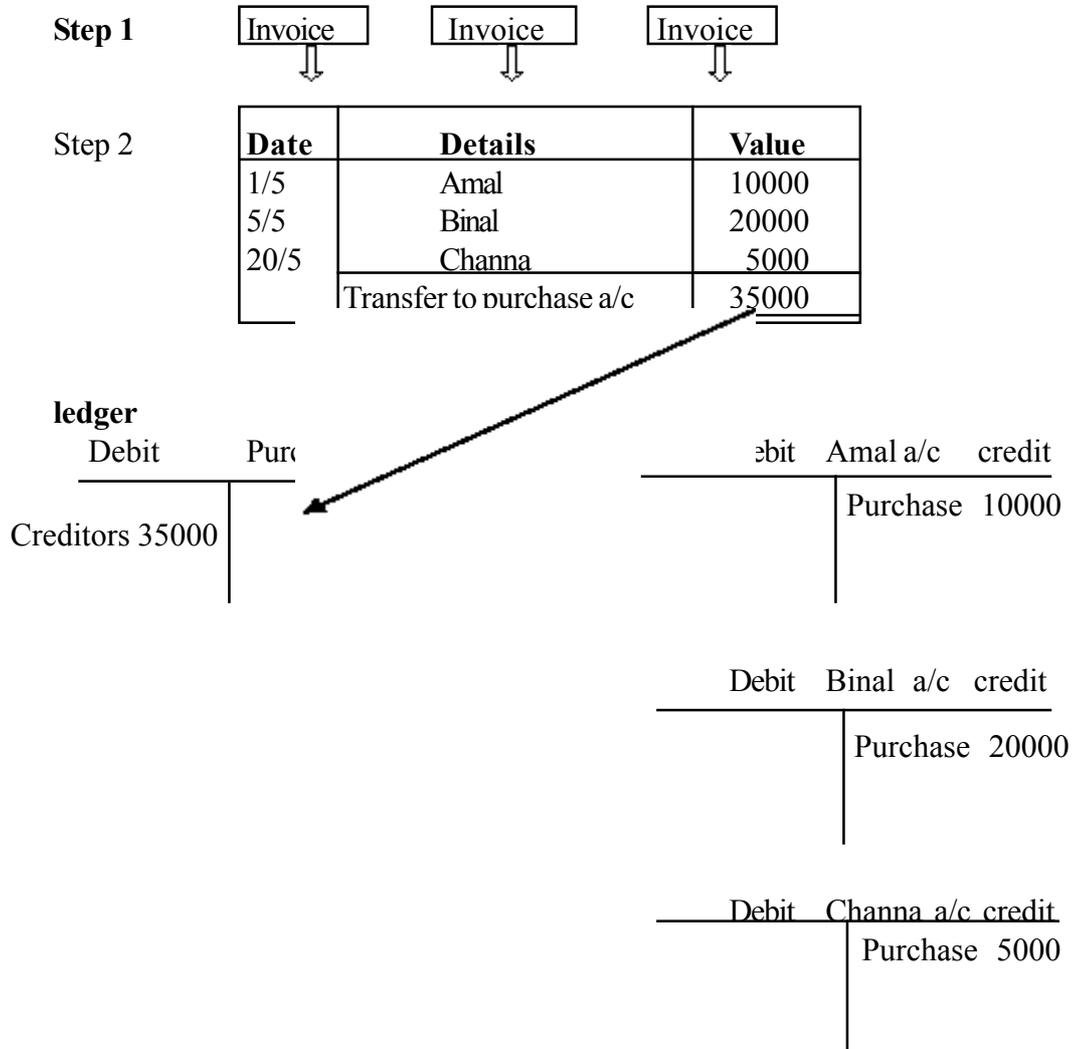
Basic terms and concepts

- **Purchase journal**
Goods purchased on credit for resale are first entered in this journal.
- **Source documents**
Invoice received from seller at the time of purchase of goods.
- **Recording of transactions and posting them to ledger**
After recording transactions in daily purchases journal credits them in relevant creditors accounts on daily basis.

At the end of the period the total on the purchase journal would be debited to purchases account.

Instructions for activity planning :

Instruct students to study the following diagram.



- Instruct students to refer to text book and ask them to list the above transactions.
- Record the following transactions in purchase journal and post them to ledger.

1. **Credit Purchases**

Date	Supplier	Value Rs.
1/5	Kapitta's business	10000
7/5	Nawodya's business	15000
23/5	Shanthi Textiles	25000
27/5	Lalith Denim	50000
28/5	Chathuni business	25000
31/5	Wasanthika's business	5000

2. **Credit Purchases**

Date	Supplier	Value Rs.
5/7	Samantha super tea	5000
10/7	Anit sweet house	10000
11/7	Kamal Bakers	5000
20/7	Nimal Hotel	15000
30/7	Nimasha Food	5000

Quality Inputs

- Business and Accounting Studies Text book for grade 10 Lesson.

Criteria for Assessment and Evaluation

- Gives basis for preparation of purchase journal.
- Names source document related to the purchases journal.
- Records transactions in purchases journal.
- Records transactions in purchase journal and posts them to ledger.

Competency 5 : Records the transactions in prime entry books and posts them to the ledger.

Competency Level 5.7 : Prepare the sales journal.

No. of Periods : 03

Significant Learning Outcomes :

By the end of this activity the student should be able to achieve the following learning outcomes.

- Describes the importance of sales journal.
- Gives source documents for sales journal.
- Records transaction in sales journal.
- Posts transaction from sales journal to the ledger.

Instructions for lesson planning :

Basic terms and concepts

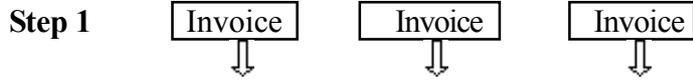
- **Sales journal**
Trade stock purchased on credit for resale purpose are first entered in this journal.
- **Source documents**
Invoice issued to the buyer can be termed as source document.
- **Recording of transactions and post them to the ledger**
After recording transactions in daily purchases journal credit them in relevant creditors accounts on daily basis.

At the end of the period total of purchases journal would be debited to purchases account.

Instructions for activity planning :

Instruct students to study the following diagram.

Instruct students to study the following numbered diagram.



Sales Journal

Step 2

Date	Details	Value
1/6	Amal and company	5,000
5/6	Nimal brothers	10,000
26/6	Kamani retail business	30,000
	Transfer to purchase a/c	45,000

ledger

	Debit Sales a/c	Credit
	Debtors 45,000	Sales 45,000

	Debit Nimal a/c	Credit
	Sales 10,000	

	Debit Kamani's a/c	Credit
	Sales 30,000	

- Instruct students to refer to text book and ask them to list the above transactions.
- Record the following transactions in purchase journal and post them to ledger.

1. **Credit Sales**

Date	Supplier	Value Rs.
2/11	Chathuni Florist	15000
3/11	Nawodya Florist	5000
11/11	Sarani Flower decorators	12000
23/11	Saranga Anthurium	6000
30/11	Wasana	4000

2. **Credit Sales**

Date	Supplier	Value Rs.
1/7	Samantha super tea	15000
5/7	Anit sweet house	5000
14/7	Kamal Bakers	15000
28/7	Nimal Hotel	2000
31/7	Samantha Super Tea	2000

Quality Inputs

- Business and Accounting Studies Text book for grade 10 Lesson.

Criteria for Assessment and Evaluation

- Presents importance of sales journal.
- Gives base source for the preparation of sales journal.
- Records transactions in sales journal.
- Records transactions in sales journal and posts them to ledger.

Competency 5 : Records the transactions in prime entry books and posts them to ledger accounts.

Competency Level 5.8 : Preparation of the general journal.

No. of Periods : 03

Significant Learning Outcomes :

By the end of this activity the student should be able to achieve the following learning outcomes.

- Describes importance of general journal.
- Names source documents for general journal.
- Names types of transactions recorded in general journal.

Instructions for lesson planning :

Basic terms and concepts

- **General journal**

Other transactions which would not be recorded in the cash book. Purchases journal, petty cash book and sales journal are entered in the general journal.

Date	Vo. No.	Description	LP	Debit	Credit

- **Source documents**

Journal voucher is the source document used to record transactions in the General journal.

Transactions Recorded in General journal

- **Adjusting items**

Transactions which are not recorded in the accounts for the period, also the transaction entered in the accounts or any adjustable notes for that period is known as adjusting items.

- **Correction of errors**

Errors would occur in prime entry books, or in ledger accounts. Each error requires a correction entry in the General journal.

Instructions for activity planning :

- Basic explanation is adequate.
- Discuss the examples.

Quality Inputs

- Business and Accounting Studies Text book for grade 10 Lesson

Criteria for Assessment and Evaluation

1. States the importance of the general journal.
2. Names source documents relate to the general journal.
3. States the adjustment entries and correction of errors with examples, included in general journal.

Competency 5 : Recording of transactions in prime entry books and posting them to ledger.

Competency Level 5.9 : Preparation of trial balance after balancing ledger accounts.

No. of Periods : 03

Significant Learning Outcomes :

By the end of this activity the student should be able to achieve the following learning outcomes.

- Posts transactions to ledger from prime entry books.
- Balances ledger accounts.
- Prepares trial balance.

Instructions for lesson planning :

Basic terms and concepts

• **Posting transaction to ledger from prime entry books**

Transactions are first entered in prime entry books and are thereafter record them in the ledger according to the double entry system.

• **Balancing of ledger accounts**

In order to get net effect of the "debit" and "credit" sides of the ledger account, balance of the account could be calculated.

• **Trial Balance**

Transactions recorded in ledger accounts, from prime entry books should equal in value of both debit and credit.

Therefore the total of 'debits' should be equal to total of credits. A statement shows debit and credit balances of ledger accounts known as the trial balance.

..... **Business**
Trial Balance as at 20.....

Detail	L F	Debit Rs.	Credit Rs.

Instructions for activity planning :

- Instruct students to study the following example.

Purchases Journal

Date	Details	Value Rs.
1/6	Asha	5,000
	Nisha	2,000
	Debit to Purchases a/c	7,000

Sales Journal

Date	Details	Value Rs.
2/6	Nimali	17,000
25/6	Amali	5,000
	Credit to Sales a/c	22,000

Purchases a/c

30/6	Cash	3,000
	Creditors	7,000

Sales a/c

	Cash	12,000
30/6	Debtors	22,000

Nisha a/c

	Purchases	2,000
--	-----------	-------

Nimali a/c

	Purchases	17,000
--	-----------	--------

Asha a/c

	Purchases	5,000
--	-----------	-------

Amal a/c

	Sales	5,000
--	-------	-------

Cash a/c

1/6	Capital	100,000	2/6	Purchases	3,000
2/6	Sales	12,000	5/6	equipment	10,000
			10/6	salary	5,000
			30/6	Electricity	2,000
			Bal	c/d	92,000
		112,000			112,000
		112,000			112,000

- Give instructions to post cash transactions to ledger accounts by referring to the text book.
- Guide them to balance the ledger accounts.
- Give instructions for students to prepare a trial balance from 'debit' balances and 'credit' balances in the ledger accounts.
- Give a few examples to students.

Quality Inputs

- Business and Accounting Studies Text book for grade 10 related lesson

Criteria for Assessment and Evaluation

- Posting transactions to ledger from prime entry books.
- Balancing of ledger accounts.
- Bring forward, balances of ledger accounts.
- Preparation of trial balance.

Competency 5 : Recording of transactions in prime entry books and posting them to ledger accounts.

Competency Level 5.10 : Rectifying of errors that occur in recording transactions in prime entry books when posting them to ledger.

No. of Periods : 06

Significant Learning Outcomes :

By the end of this activity the student should be able to achieve the following learning outcomes.

- Lists errors that occur when recording transactions in prime entry books.
- Lists errors that occur when posting them to ledger accounts.
- Identifies errors which will not affect the trial balance and rectifies.
- Describes the importance of the suspense account.
- Rectifies errors in the suspense account.

Instructions for learning lesson planning :

Basic terms and concepts

The following errors could occur when recording transactions.

- Omission of an invoice.
- Over casting/under casting of purchases / sales journal totals.
- Posting of totals of purchases/sales journal to ledger accounts more/less than the actual values.
- Over/under casting of ledger accounts.
- One entry is correctly entered and another entry of a transaction incorrectly entered.
- Transaction recorded on wrong side of the accounts.
- Transactions completely omitted from the books.
- Compensation of one error with another error.
- Transaction entered in a wrong account.

Instructions for activity planning : i

- Direct students to study the following transactions and how they had been recorded in the ledger.

Transaction

- (1) Credit sale Rs. 15,000
- (2) Purchase of furniture Rs. 5,000
- (3) Salary paid Rs. 8,000
- (4) Advertising expenses Rs. 2,500
- (5) Cash receipt from a debtor Kamal Rs. 12,000.
- (6) Rent paid Rs. 1,000.
- (7) Bank loan obtained Rs. 50,000.
- (8) Cash sales Rs. 10,000

Sales a/c	
	8 Cash 11,000

Furniture a/c	
2 Cash	5,000

Salary a/c	
	3 Cash 8,000

Rent a/c	
6 Cash	2,500

Advertising a/c	
4 Cash	2,000

Kamani a/c	
	5 Cash 12,000

Cash a/c	
3 Wages	8,000
5 Kamal	12,000
7 Bank loan	50,000
8 Sales	11,000

Bank loan a/c	
	7 Cash 50,000

- Guide students to make a double entry for the above transactions by referring to text book.
- Ask students how to post transactions into ledger accounts.
- Inquire about the relationship between trial balance and the transactions entered in ledger accounts.
- Discuss with the students how errors which will not affect the trial balance would affect in giving correct information.

Instructions for activity planning : ii

- Direct students to study the following transactions and how it had been recorded in the ledger.

Transaction

- (1) Wages Rs. 1,500
- (2) Sales Rs. 52,000
- (3) Received money from debtors Rs. 4,000
- (4) Reduced Rs. 4500 when calculation of sales journal.

Cash		acc
2 Sales 52,000		1. Wages 1,500
3 debtors 4,000		

Wages		acc
1. Cash 1,000		

Sales		acc
		2. Cash 57,000

Debtors		acc
3. Cash 4,000		

- Guide students to make a double entry for the above transactions by referring to text book.
- Ask students how to post transactions into ledger accounts.
- Inquire about the relationship between trial balance and the transactions entered in ledger accounts.
- Discuss with the students how errors which will affect the trial balance would affect in giving correct information.
- Discuss the importance of suspense account by studying text book.
- Guide them to solve the following exercise.

Exercise (1)

- (1) Sales invoice of Rs. 8,000 omitted from the book.
- (2) Salary payment of 5,000 correctly credited to cash account but entered in the salary account as Rs. 500.
- (3) Advertising expenses of Rs. 2,500 not recorded in both cash book and advertising account.
- (4) Insurance expense of Rs. 5,000, credited to cash book by Rs. 5,000 and debited to rent account by Rs. 5,000.
- (5) Machine repair expense of Rs. 2,500 debited to machine account.
- (6) Cash receipt of 5,000 from Kamal a debtor entered in Kamanis account.
- (7) Cash payment of Rs. 8,000 to Kamal entered twice in cash a/c and Kamal's account.

Required

- (1) Journal entries to correct the above errors.
- (2) Suspense account.

Exercise (2)

- (1) Purchase of Rs. 12,000 not entered in purchases a/c.
- (2) Cash drawings of Rs. 1,000 entered only in cash book.
- (3) Salary payment of Rs. 5,000 entered in rent account.
- (4) Insurance payment of 2,500 entered in the insurance account as Rs. 500.
- (5) Rs. 15,000 goods purchased on credit twice entered in purchases account.

Required

- (1) Journal entries to correct the above errors.
- (2) Suspense account.

Quality Inputs

- Business and Accounting Studies Text book for grade 10 related lesson

Criteria for Assessment and Evaluation

- Gives examples of errors that occur in recording transactions in prime entry books.
- Gives examples of errors that occur in posting entries to ledger accounts.
- Give examples of journals entries to correct errors.
- Correction of errors in the suspense account.

Competency 5 : Recording of transactions in prime entry books and posts them to ledger accounts.

Competency Level 5.11 : Uses technical methods in order to meet quick cash transactions and to assess its results.

No. of Periods : 02

Specific Learning Outcomes :

By the end of this activity the student should be able to achieve the following learning outcomes.

- Provides ideas on new trends about making cash transactions over the mobile phones.
- Gives examples of making cash transactions over the mobile phones.
- States advantages of making transaction using electronic equipments.

Instructions for lesson planning :

Basic terms and concepts

Quick payments for transactions

Most of the transactions in business organisations may be implemented over the internet using mobile phones and computers as a result of the development of communication and information technology.

- Examples** - Payments
- Price quotation
- Other cash payments

Transactions through electronic system

From the start to the end the transaction can be done over mobile phones, short message system or orally. The Computer also helps in its transactions.

Internet helps to find markets to sell products or services.

Advantages of E- Transactions

- Quick transaction can be expected because required equipment (mobile phone/ computer) are readily available with customers.
- Quick responses can be expected at the same time.
- Save a time.
- A large number of transactions possible simultaneously.

Instructions for activity planning :

- Invite any banker or a businessmen to your class and ask them to explain the advantages of this field to the students. (40 minutes)
- After finishing the discussion make a note in order to develop subject matter and learning outcomes.

Quality Inputs

- Business and Accounting Studies Text book for grade 10 related lesson

Criteria for Assessment and Evaluation

- Gives two examples of transactions which can be effected over mobile phones service.
- Gives two examples of transactions which can be effected through computers.
- Gives three advantages of implementing transactions over the phones/computers.