

வை திர்தேச / புதிய பாடத்திட்டம் / New Syllabus

NEW

ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව
இலங்கைப் பரீட்சைத் திணைக்களம்
Department of Examinations, Sri Lanka

අධ්‍යයන පොදු සහතික පත්‍ර (උසස් පෙළ) විභාගය, 2019 අගෝස්තු
 කல்බූරි පොතුවේ තරාතර පත්තිර (උසස් පෙළ) විභාගය, 2019 ඔක්තෝබර්
 General Certificate of Education (Adv. Level) Examination, August 2019

08.08.2019 / 0830 – 1030

உண்பார் அமெரிக்கை I
வணிகக் கல்வி I
Business Studies I

32 E I

பேரூர் டேவியை
இரண்டு மணித்தியாலம்
Two hours

Instructions:

- * Answer **all** the questions on this question paper itself.
- * Write your **Index Number** clearly in the space provided above.
- * Select the correct answers for questions No. **1-30** and write its number on the dotted line given.
- * Write short answers for questions No. **31-50** on the dotted line given.
- * Each question carries **two** marks.

Index No. :

For Examiner's Use Only

For paper I			Signature	Code No.
Q. Nos.	Marks	1st Examiner		
01 - 30		2nd Examiner		
31 - 50		Addl. Chief		
		Chief		
TOTAL		E.M.F.		

1. Following are the four stages of business evolution.

- A - Industrial revolution
B - Use of money
C - Barter system
D - Information era

Select the option that indicates the above stages of business evolution in the correct order.

- (1) A, C, D, B (2) B, A, C, D (3) B, D, A, C (4) C, A, B, D (5) C, B, A, D (.....)

2. Select the option that contains correctly the elements of a socio-cultural environment.

- (1) Beliefs, values, technology and standards
- (2) Values, institutions, age structure and traditions
- (3) Customs, values, organizational structures and traditions
- (4) Beliefs, values, customs and regulations
- (5) Beliefs, values, customs and traditions

3. Following table shows macro environmental elements and certain events connecting to them.

Elements	Events
(i) Economic	A - Changing climatic conditions
(ii) Natural	B - Enacting new labour law
(iii) Technological	C - Inventing a new production method
(iv) Legal	D - Changing exchange rates

What is the option that correctly matches the events according to the order of the elements given above?

- (1) A, C, B, D (2) B, D, C, A (3) C, A, B, D (4) C, D, B, A (5) D, A, C, B (.....)

4. Following are some of the activities relating to sustainable development.

- A - Development in technology
- B - Employees welfare
- C - Purchasing environmental friendly products
- D - Introducing innovation
- E - Respecting human plurality
- F - Risk Management

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Out of the above, what is option that includes only the activities that could ensure the economic sustainability of the business?

- (1) A,B,C,E (2) A,B,D,F (3) B,C,D,E (4) B,D,E,F (5) C,D,E,F (.....)

5. Following are the some types of taxes in Sri Lanka.

- A - Corporate tax
- B - Nation building tax
- C - Value added tax
- D - Customs duty
- E - Excise duty
- F - Capital gains tax

From the above, what is the option that contains only the types of direct taxes?

- (1) A,B,C (2) A,B, F (3) B,E,F (4) C,D,E (5) D,E,F (.....)

6. Which consumer right is violated when the expiry date of a particular good is **not** mentioned?

- (1) Right to satisfy basic needs (2) Right to choose
(3) Right to consumer education (4) Right to be informed
(5) Right to be safe (.....)

7. Following table shows the types of companies and some of their characteristics.

Types of companies	Characteristics
(i) Private limited companies	A. Ability to issue shares and debentures in public
(ii) Public limited companies	B. Having incorporated in Sri Lanka, doing business activities overseas only
(iii) Companies limited by guarantee	C. Unlimited liability of shareholders
(iv) Unlimited companies	D. Non-distribution of profits
(v) Offshore companies	E. Inability to issue shares and debentures in public

What is the option that correctly matches the characteristics according to the order of the company types given above?

- (1) C,A,D,E,B (2) C,D,A,B,E (3) D,E,B,C,A (4) E,A,D,C,B (5) E,C,D,A,B (.....)

8. Following are certain characteristics of businesses.

- A - Less legal requirements
- B - Continuous existence
- C - Unlimited liability
- D - Mutual agreement
- E - Paying of taxes by the business name

Out of the above, what is the option that contains only the characteristics of partnerships?

- (1) A, B, E (2) A, C, D (3) B, C, D (4) B, D, E (5) C, D, E (.....)

9. Following table shows business combination strategies and descriptions relating to them.

Combination strategies	Descriptions
(i) Horizontal	A - Merge with firms in an other industry.
(ii) Vertical backward	B - Merge with firms in the same industry.
(iii) Conglomerate	C - Merge with firms previously worked as distributors.
(iv) Vertical forward	D - Merge with firms previously worked as suppliers

What is the option that correctly matches the descriptions according to the order of the combination strategies given above?

- (1) A, C, B, D (2) B, D, A, C (3) C, A, B, D (4) C, B, A, D (5) D, B, C, A (.....)

[See page three

10. Which of the following is a characteristic of Intrapreneurship?

- (1) Recruiting more creative people to the position of the organization.
- (2) Introducing innovative methods of production by creative people in the organization.
- (3) Providing products by organizations to fulfil human needs and wants.
- (4) Making positive impacts to the nature by addressing socio-environmental issues.
- (5) Attempting to create a humanistic world. (.....)

11. Following are some of the characteristics of a person.

- A - discouraged by problems
- B - willingness to implement traditional methods
- C - willingness to take risks
- D - willingness to work in stable environment
- E - willingness to take challenges

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From the above, what is the option that contains only the characteristics belonging to an entrepreneur?

- (1) A and E (2) B and C (3) C and D (4) C and E (5) D and E (.....)

12. An advantage, the investor can enjoy by investing in Unit trusts is

- (1) receiving high returns on investment.
- (2) the ability to participate in the management of the Unit trust.
- (3) being entitled to receive bonus shares.
- (4) the ability to withdraw the investment at any time without penalty.
- (5) not being necessary to pay income tax on the return on investment. (.....)

13. What is the right statement pertaining to crossing the cheques?

- (1) Payee can cross the cheque which is not crossed.
- (2) Payee can cancel the crossing by signing on the cheque.
- (3) All kinds of crossed cheques can be transferred to another party by endorsing.
- (4) Cash can be obtained from a bank counter for all crossed cheques.
- (5) Cash cheques cannot be crossed. (.....)

14. Maduri insured her life in two insurance companies, A and B for Rs.300 000 and Rs.400 000 respectively and she has been paying insurance premium regularly. If Maduri dies within the period of policy, the amount that can be claimed is

- (1) Rs.300 000. (2) Rs.350 000. (3) Rs.400 000. (4) Rs.700 000. (5) Not entitled to claim. (.....)

15. A manager stated that his responsibility is "while earning a reasonable return for the business, uplifting living standard of the community residing close to the firm." This statement most appropriately reflects the firm's responsibility towards the parties of

- (1) society and customers. (2) owners and employees. (3) owners and society.
(4) owners and customers. (5) owners and government. (.....)

16. What is the option which correctly contains the elements of transport?

- (1) Mode, power, way, terminal (2) Mode, power, cost, speed
(3) Mode, terminal, cost, speed (4) Mode, power, way, speed
(5) Capacity, way, terminal, power (.....)

17. Which statement most correctly defines the term 'Super Market'?

- (1) A shop that retails essential and convenience goods on self-service basis
- (2) A shop that maintains branches islandwide to distribute the products of a single manufacturer
- (3) A shop that agrees to sell the products only of a single manufacturer
- (4) A shop that maintains separate sections for each type of product in the same building
- (5) A shop that keeps stocks in large quantities and selling in wholesale (.....)

18. The following table provides types of the documents used in international trade and descriptions relating to those documents:

Types of Documents	Descriptions
(i) Customs entry	A - Acknowledge the receipt of goods on board of a ship
(ii) Invoice	B - Certification of the name of the country that manufactured products for export
(iii) Letter of origin	C - Detail of the price, quantity, total value and name of the exporter
(iv) Bill of lading (B/L)	D - Declaration of information on import or export goods prepared by an agent.

What is the option that correctly matches the descriptions according to the order of the types of documents given above?

- (1) A, C, B, D (2) B, C, A, D (3) B, D, C, A (4) D, B, C, A (5) D, C, B, A (.....)

19. Following are some of the tasks of a manager.

- A - Coordination
- B - Communication
- C - Strategic planning
- D - Operating
- E - Controlling
- F - Policy development

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From the above, what is the option that contains only the key tasks of the top management?

- (1) A and D (2) B and E (3) C and F (4) D and E (5) E and F (.....)

20. Following are some of the sources of finance of a business.

- A - Commercial papers
- B - Bank loans
- C - Sale of fixed assets
- D - Debentures issues
- E - Provisions for depreciation
- F - Trade credits
- G - Retained profits
- H - Sale of stock

From the above, what is the option that contains only the direct internal financial sources?

- (1) A, C, D, G (2) A, C, E, G (3) B, D, F, H (4) C, F, G, H (5) C, E, G, H (.....)

21. Fixed cost of XYZ company is Rs.60 000. The variable cost for producing one Unit of product A is Rs.1.00. If the unit selling price of this product is Rs.3.00, how many units should be produced to earn a profit of Rs.50 000?

- (1) 20 000 (2) 30 000 (3) 40 000
(4) 50 000 (5) 55 000 (.....)

22. Following table indicates the quality control techniques and procedures followed by Seetha in maintaining the quality of yoghurt production.

Quality control techniques	Procedures
(i) Quality assurance	A. Forming teams of employees to discuss production related issues regularly
(ii) Quality circles	B. Frequent monitoring of quality at all phases of production process
(iii) Zero defects	C. Always use right raw material in production.
(iv) Quality standards	D. Ensuring quality of all processes of organization.
(v) Total quality management	E. Making a continuous effort to keep a 100% product quality.

What is the option that matches the procedures according to the order of quality control techniques given above?

- (1) A,B,E,D,C (2) A,C,B,D,E (3) B,A,E,C,D (4) B,C,D,E,A (5) E,B,C,D,A (.....)

[See page five]

23. Which concept reflects most appropriately, the effort of a businessman who attempts to produce goods at the lowest possible cost and make them widely available in the market?

- (1) Marketing concept (2) Societal marketing concept (3) Selling concept
(4) Product concept (5) Production concept (.....)

24. Following is the customer value hierarchy of a product.

- A - Core benefits
B - Augmented product
C - Generic product
D - Expected product
E - Potential product

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Select the option that indicates the customer value hierarchy given above in the correct order.

- (1) A,B,D,C,E (2) A,C,D,B,E (3) B,A,E,C,D (4) B,E,A,C,D (5) C,A,B,D,E (.....)

25. Some of the promotional activities conducted by a business firm as follows.

- A - Providing product information B - Introducing lottery system
C - Reducing prices D - Sponsoring scholarships
E - Providing product samples F - Participating in trade exhibitions
G - Introducing price discounts

Out of the above, select the option that contains the activities only related to sales promotion.

- (1) A,D,E,F (2) B,D,E,F (3) B,C,E,G (4) C,D,F,G (5) C,E,F,G (.....)

26. Employees absenteeism means, employees are

- (1) not reporting to the work. (2) leaving the organization.
(3) taking official leaves. (4) taking entitled leaves.
(5) disobeying the instructions. (.....)

27. Which of the following does **not** include 'on the job training'?

- (1) Apprenticeship (2) Job rotation (3) Internship
(4) Simulation (5) Role play (.....)

28. Select the statement that correctly states the importance of discipline management.

- (1) Minimizing disputes among employees.
(2) Developing self-confidence of employees.
(3) Informing decisions to employees.
(4) Reducing medical insurance expenses.
(5) Ensuring employees job security. (.....)

29. Following table shows the types of information systems and examples for each.

Types of Information Systems	Examples
(i) Transaction Processing Systems (TPS)	A - Providing forecasting reports
(ii) Office Automaton Systems (OAS)	B - Providing daily stock reports
(iii) Management Information Systems (MIS)	C - Providing E-mail facilities
(iv) Decision Support Systems (DSS)	D - Preparing salary reports
(v) Executive Support Systems (ESS)	E - Providing investment appraisal reports

What is the option that correctly matches the examples, according to the order of the types of information systems given above?

- (1) B,C,E,D,A (2) C,D,E,A,B (3) D,C,B,E,A (4) D,E,A,B,C (5) E,A,B,C,D (.....)

30. The summary prepared for guiding the business plan is

- (1) executive summary. (2) cost summary. (3) cash flow summary.
(4) income summary. (5) debt summary. (.....)

- Answer questions 31 to 40, by filling in the blanks with **suitable word / words**.

31. (a) Two types of business organizations that aim profits but **non-compulsory** for registration are and
 (b) Through the internal price stability, government can control and rate.
32. (a) An amount to be made by a franchisee to the franchisor as a percentage of gross is payment.
 (b) Entrepreneur, in general, commences a business with the objective of, whereas social entrepreneur commences a business with the objective of
33. (a) Small and medium scale businesses are intensive and therefore they can be able to provide more to the people.
 (b) Outbound logistics start from and ends with
34. (a) Export of imported goods after value addition in the customs-bonded warehouses is trade and export of equipment to imported country after use is export.
 (b) To make the payments in foreign trade, the bank and letter of can be used.
35. (a) In management, doing the right thing is known as and doing the thing right is known as
 (b) According to Minzberg's role classification, the introduction of new projects by a manager falling into sub-role of role of manager.
36. (a) While technical skills are highly essential for the managers, skills are equally important to managers of all levels.
 (b) The process that formally assigning the and among employees is meant by delegation of power.
37. (a) Task oriented leaders are more concerned about while oriented leaders are more concerned about employees.
 (b) Relationship between employee inputs and is known as productivity.
38. (a) Presenting a series of products under the same brand by a manufacturer is known as brand and designing a brand for a particular businessman is known as brand.
 (b) Pricing on target return is based on and pricing on going rate is based on
39. (a) Long-term financial decisions can be categorized as structure and related decisions.
 (b) The activities of cash flow statement can be mainly categorized as and

[See page seven

40. (a) As two internal recruitment methods referrals and plan can be used.
- (b) Socialization process for new employee is known as and the period till for their confirmation is known as period.

• For questions 41 to 50, write the **specific answers** in the space provided.

41. State **two** advantages and **two** disadvantages of using intermediaries in trade.

Advantages	Disadvantages
1.	1.
2.	2.

42. State **four** objectives of Sri Lanka Export Development Board.

1.
2.
3.
4.

43. Write **four** reasons for the failure of Small and Medium Scale Enterprises in Sri Lanka.

1. 2.
3. 4.

44. Write **four** examples for licensed specialized banks in Sri Lanka.

1. 2.
3. 4.

45. Name the 4R elements in Waste Management.

1. 2.
3. 4.

46. State **four** advantages of decentralization for an organization.

1. 2.
3. 4.

47. What is meant by the letters in the following formula that is related to stock controlling?

$$EOQ = \sqrt{\frac{2cd}{h}}$$

1. *EOQ* :
2. *c* :
3. *d* :
4. *h* :

48. State **four** types of background tests that can be used by an organization in selecting a new employee.

1. 2.
3. 4.

49. State **four** tasks related to data processing.

1. 2.
3. 4.

50. Indicate the meaning of each symbol given below.

1. 

2. 

3. 

4. 

* * *

உலக நிரீடேயு/புதிய பாடத்திட்டம்/New Syllabus

NEW

இலங்கைப் பரீட்சைத் துறை
Department of Examinations, Sri Lanka

අධ්‍යයන පොදු සහතික පත්‍ර (උසස් පෙළ) විභාගය, 2019 අගෝස්තු
 කල්විට් පොතාන්තර පාසල (උසස් පෙළ) විභාගය, 2019 අගෝස්තු
 General Certificate of Education (Adv. Level) Examination, August 2019

உண்பார் அபிவிருத்தி	III
வணிகக் கல்வி	III
Business Studies	III

32 E II

13.08.2019 / 1300 – 1610

சூ.சு. துரைசி
மூன்று மணித்தியாலம்
Three hours

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

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

Instructions:

* Answer five questions selecting at least two questions from each part.

Part I

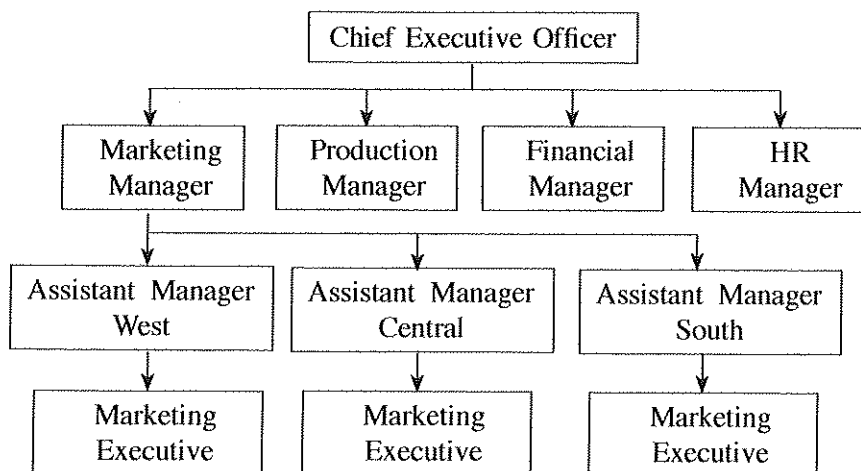
1. Anusha is a mobile phone retailer and a designer of novelty phone covers. She has a good knowledge and experience in designing. She generally sets a low price for her phone covers through which she expects to increase sales and profits. By mid 2019, her phone cover sales have reached 50 000 units and of which 20 000 units were sold through online. Anusha is conducting a SWOT analysis to identify strategies for business expansion.
- (i) (a) Describe the **two** core business activities in the above case.
(b) What are the main objectives of the above business? (04 marks)
- (ii) Mention **four** factors which could have an influence on the high turnover of phone covers. (04 marks)
- (iii) Explain **two** advantages and **two** disadvantages, Anusha could obtain from online trading. (04 marks)
- (iv) (a) Give **four** advantages of SWOT analysis for a business.
(b) Write **two** opportunities and **two** threats for phone cover industry in general. (04 marks)
- (v) State **two** strengths that Anusha possesses and explain, how those strengths could be used for future development of the business. (04 marks)
- (Total 20 marks)
2. (i) A manager said that conflicts between company objectives and stakeholder objectives pose challenges for managers. Describe this statement by taking examples from company objectives and objectives of the shareholders. (04 marks)
- (ii) (a) Explain the term, 'sustainable development'.
(b) Name **two** social responsibilities of a business organization towards its consumers. (04 marks)
- (iii) State **four** benefits that a business organization could obtain by following business ethics. (04 marks)
- (iv) (a) State **four** services provided by Sri Lanka Standards Institution for Small and Medium Scale Firms.
(b) Describe **two** types of policy interest rates used by the Central Bank of Sri Lanka to implement the financial policies. (04 marks)
- (v) Describe **four** objectives of the Consumer Affairs Authority. (04 marks)
- (Total 20 marks)

[See page two

3. (i) Since the prices of inputs of bakery products have been increased, a bakery owner decided to find additional capital by forming a partnership. Describe **four** advantages of this decision. (04 marks)
- (ii) Sirimalee established a firm by investing Rs.50 000 to produce ladies handbags, caps and other ornamental products using banana fiber which is widely available in his area. She recruited three unemployed females from her area paying Rs. 800 per day after providing training on the given products. Also, arrangements have been made to market her products at tourist hotels. Give the social and economical benefits of this business. (04 marks)
- (iii) Describe, giving **four** reasons, why some of the firms may wish to remain small despite the benefits of being large. (04 marks)
- (iv) (a) State **two** advantages that a businessman could obtain through Quick Response Code. (04 marks)
- (b) Give **two** basic requirements that a person has to fulfill when making payments for transactions using e-wallets through a mobile phone. (04 marks)
- (v) (a) State **four** characteristics of a government department. (04 marks)
- (b) Explain **two** characteristics with which a state corporation can be identified from a government department. (04 marks)
- (Total 20 marks)
4. (i) Laxmi wishes to start a firm in her village to buy and sell dairy products by obtaining finance from formal and informal sources. Describe **four** advantages that Luxmi could gain from formal financial sources over informal financial sources. (04 marks)
- (ii) (a) Compare 'bearer cheques' with 'order cheques'. (04 marks)
- (b) Describe 'Employer Liability Insurance'. (04 marks)
- (iii) State **four** weaknesses of train transport service in Sri Lanka and suggest solutions to rectify those weaknesses. (04 marks)
- (iv) (a) State **four** ways of the importance of communication for business activities. (04 marks)
- (b) Give **four** reasons for distortion of a message in verbal communication. (04 marks)
- (v) (a) Describe the term, 'comparative cost advantage'. (04 marks)
- (b) What is meant by 'e-payment systems'? (04 marks)
- (Total 20 marks)

Part II

5. (i) Following is a part of an organization chart.



- (a) What is meant by 'organizational structure'?
- (b) Explain 'span of control' and state the extent of span of control of the marketing manager according to above organizational chart. (04 marks)

[See page three]

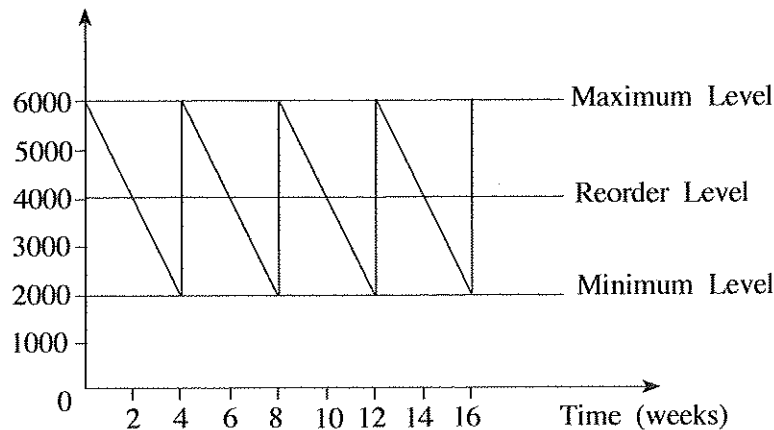
- (ii) (a) Explain what is meant by 'concurrent control' and 'feedback control'.
 (b) Mention **four** reasons for research and development to be important for a business organization. (04 marks)
- (iii) Some of the information related to XY company is as follows.

	Budgeted (Rs.)	Actual (Rs.)
Sales Revenue	3 000	2 750
Cost of Sales	2 100	12 700

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- (a) Calculate the sales revenue variance and the cost of sales variance. (04 marks)
 (b) Explain **two** possible reasons for the variance in sales revenue. (04 marks)
- (iv) "Flow production method is widely used in motor vehicle manufacturing".
 State **four** advantages of using this method for motor vehicle manufacturing and explain them. (04 marks)
- (v) Compare 'process layout' with 'product layout'. (04 marks)
- (Total 20 marks)
6. (i) Following diagram shows the stock levels of XYZ Company pertaining to Television sets.

No. of Television sets



Calculate the following.

- (a) Cycle time
 (b) Re-order quantity
 (c) Buffer stocks
 (d) Lead time (04 marks)
- (ii) State **four** ways to improve material productivity. (04 marks)
- (iii) (a) What is 'market segmentation'?
 (b) Briefly explain how market segmentation would help increase of sales. (04 marks)
- (iv) Describe the relationship between 'consumer value' and 'consumer satisfaction'. (04 marks)
- (v) (a) What is meant by 'Product Life Cycle'?
 (b) Write **two** advantages that a producer can gain through understanding Product Life Cycle. (04 marks)

(Total 20 marks)

7. (i) Explain **two** sources of external finance of business organization with **two** limitations of them. (04 marks)
- (ii) (a) Describe the importance of liquidity ratios for business decisions. (04 marks)
- (b) State **four** factors that influence the increase of share price of a company. (04 marks)
- (iii) (a) Compare data with information. (04 marks)
- (b) Explain 'knowledge workers' and provide **two** examples for them. (04 marks)
- (iv) (a) State **two** differences between 'job description' and 'job specification'. (04 marks)
- (b) Write **two** reasons for obtaining membership of Trade Unions by employees. (04 marks)
- (v) It was decided by the firm to publish a newspaper advertisement to recruit a marketing assistant. Describe **two** advantages and **two** disadvantages of recruiting applicants through a newspaper advertisement. (04 marks)
- (Total 20 marks)
8. (i) (a) "Interview is a popular method for selecting employees." State **two** limitations of this method. (04 marks)
- (b) Mention **four** actions that could be taken by the management against a probationary employee who was unable to fulfil the assigned job tasks and responsibilities. (04 marks)
- (ii) Propose **four** suggestions to control cash outflows from the organizations. (04 marks)
- (iii) (a) Briefly explain the importance of information management for an organization. (04 marks)
- (b) Briefly describe **two** reasons for a business plan to be important to a businessman. (04 marks)
- (iv) (a) Explain the basic elements that should be included in a marketing plan. (04 marks)
- (b) Write **four** factors that should be considered in conducting a competitive analysis. (04 marks)
- (v) Explain pre-operating expenses included in the estimated project cost and provide **two** examples for them. (04 marks)
- (Total 20 marks)

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