

அங்காகா கல்வி கலை (நோய் கலை) விழுது, 2017 கல்விக்கால் கல்விப் பொதுத் தராதரப் பத்திரி (உயர் தர)ப் பறிசை, 2017 இகாலம் General Certificate of Education (Adv. Level) Examination, August 2017

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Business Studies

32 E I

ஆரை தெக்கை
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		
01 - 30		1st Examiner	
31 - 50		2nd Examiner	
TOTAL		Addl. Chief	
		Chief	
		E.M.F.	

1. Following are some of the characteristics of human needs and wants.

A - Unlimited	B - Ability to create
C - Varied	D - Essential for survival
E - Limited	F - Common

Out of the above, select the group that contains only the characteristics pertaining to human wants.

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

2. X column of the following table shows some of the interested parties relating to the media field and Y column shows some of the reasons for their interests on it.

X	Y
<p>A. Reporters B. General public C. Government D. Trade unions of media professionals E. Administrators of media institutions</p>	<p>1. To ensure the rights of media professionals 2. To collect information 3. To manage information 4. To become aware through information 5. To formulate policies on information</p>

Select the group that matches interested parties and reasons for their interests correctly.

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

3. Following are some of the trends of environmental factors relating to a business.

- A - Increase in price level of the economy
- B - Increase in employer-employee conflicts
- C - Increase in competition
- D - Decrease in employee turnover
- E - Decrease in retained earnings
- F - Increase in power of consumer societies
- G - Decrease in raw material wastage
- H - Increase in elderly population

Out of the above, which group contains only the trends in internal environmental factors?

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

[See page two]

4. X column of the following table shows the different types of business institutions and Y column shows a list of institutions where they should be registered.

X	Y
A. Share brokering companies	1. Department of Co-operative Development
B. Insurance companies	2. Central Bank of Sri Lanka
C. Licensed banks	3. Securities and Exchange Commission of Sri Lanka
D. Co-operative rural banks	4. Insurance Board of Sri Lanka

Select the group that correctly matches the type of business institution and its registering institution.

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

5. When a customer asked for a kind of canned food from a businessman by a specific brand name, he gave a canned food of a different brand name. Since the ingredients of the product had not been mentioned on the label, the customer inquired it from the businessman but he ignored the request. As per this incident, the number of consumer rights have been violated are

(1) 2. (2) 3. (3) 4. (4) 5. (5) 6. (.....)

6. Some of the characteristics associated with business organizations are given below.

A - Able to issue debentures
 B - Unlimited liability
 C - No legal personality
 D - Compulsory business registration
 E - Independent decision making
 F - Compulsory publicization of financial statements

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Out of the above, select the group that contains characteristics relevant to sole proprietorships.

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

7. Some of the statements relating to partnerships are given below.

A - Having a written agreement among the partners is an essential.
 B - Registration under the Business Names Ordinance is an essential.
 C - There is no legal personality.
 D - Partnership agreement determines the maximum number of partners.
 E - Liability of partners is unlimited.

Out of the above, correct statement/s relating to partnerships is/are

(1) C only. (2) C and E only. (3) C, D, and E only.
 (4) A, B, C, and E only. (5) A, B, C, D, and E all. (.....)

8. A characteristic **not** related to a public limited company is

(1) not having a maximum ceiling on number of shareholders.
 (2) not having a maximum ceiling on number of directors.
 (3) mandatory listing on Stock Exchange.
 (4) need to test the solvency before declaring dividends.
 (5) ability to issue shares publicly. (.....)

9. Select the most correct statement from the following.

(1) Enterpreneur is a businessman. (2) Enterpreneur is a manager.
 (3) Enterpreneur is a professional. (4) Enterpreneur is an analyst.
 (5) Enterpreneur is an opportunity seeker. (.....)

10. From the following, the type of financial institution that **cannot** accept deposits is

(1) Unit trusts. (2) Licensed finance companies.
 (3) Licensed specialized banks. (4) Regional development banks.
 (5) Licensed commercial banks. (.....)

[See page three]

11. From the following, how many types of institution come under the direct supervision of Central Bank of Sri Lanka?

A - Licensed commercial banks	B - Licensed specialized banks
C - Licensed finance companies	D - Co-operative rural banks
E - Thrifts & credits co-operative societies	

(1) 1 (2) 2 (3) 3 (4) 4 (5) 5 (.....)

12. Following are certain components of an electronic credit card.

A - Logo of credit card association	B - Card number
C - Magnetic tape	D - Name of the card owner
E - Hotline number	F - Expiry date
G - Signature tape	

Out of the above, which group contains only the components appearing on the face of an electronic credit card?

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

13. Some of the risks associated with motor vehicles are given below.

A - Decay	B - Accidents
C - Thefting	D - Decline in market value
E - Loss arising from sales	F - Damage to the third party

Out of the above, which group contains the risks that can be insured under the motor insurance?

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

14. From the following, select the correct statement related to insurance.

- (1) Any risk can be insured.
- (2) Tenant has a right to insure the dwelling house.
- (3) When a property is insured in number of insurance companies, damage occurred to the property can be claimed separately from each company.
- (4) Employer can insure his employees.
- (5) Indemnity principle is applicable to life insurance. (.....)

15. From the following, which is the correct statement related to transportation system?

- (1) Bus station is an element of transport terminal.
- (2) Railway is an element of mode of transportation.
- (3) Aircraft is an element of power of transportation.
- (4) Ship is an element of route of transportation.
- (5) Port is an element of mode of transportation. (.....)

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16. Following are some of the tasks relating to management functions.

A - Division of labour	B - Environmental analysis
C - Co-ordination	D - Establishment of objectives
E - Identification of tasks	F - Departmentalization
G - Communication	

Out of the above, which group contains only the tasks relevant to function of organizing?

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

17. X column of the following table shows some of the operations activities and Y column shows some of the operations management functions.

X	Y
A. Determining labour requirements for manufacturing	1. Supply chain management
B. Stock controls	2. Production engineering
C. Preparing production schedules	3. Production controls
D. Development of suppliers	4. Production planning

Select the group that correctly matches operations activities and operations management functions.

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

[See page four

18. X column of the following table shows marketing mix from marketer's perspective and Y column shows marketing mix from consumer's perspective.

X	Y
A. Product	1. Convenience
B. Price	2. Communication
C. Promotion	3. Consumer solution (Needs and Wants)
D. Place (Distribution)	4. Cost

Select the group that correctly matches the marketing mix from marketer's perspective and consumer's perspective.

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

19. Some of the financial management decisions are given below.

A - Short-term investment	B - Accrued expenses
C - Appropriation of dividends	D - Debt capital
E - Capital reserves	F - Equity capital

Out of the above, which group contains only the capital structure decision?

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

20. Currently, there are 80 machine operators in a manufacturing firm and a direct correlation exists between volume of production and number of machine operators. Firm has decided to increase the production by 25% in upcoming year. 16 machine operators have submitted their resignation letters and 04 machine operators will retire next year. 05 machine operators will be promoted to supervisor grade. If the recruitment policy of the firm is 40% of the employee requirement is recruited from the external, how many machine operators should be recruited from internal?

(1) 13 (2) 18 (3) 20 (4) 21 (5) 27 (.....)

21. From the following, select the correct statement.

From the following, select the correct statement:

- (1) Remote controller is a firmware.
- (2) Central Processing Unit (CPU) is a liveware.
- (3) Monitor is a software.
- (4) System operator is a hardware.
- (5) Website is a data.

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22. A party that is not involved in 'Letter of Credit' used in import process is

(1) importer. (2) exporter. (3) importer's bank.
(4) exporter's bank. (5) insurance company.

(二二二)

23. Criterion for classifying quantitative and qualitative information is

(1) source. (2) levels of management. (3) probability.
(4) nature. (5) time.

(cont'd)

24. 'Job description' is a list containing

- (1) tasks, duties, responsibilities and employment conditions of a job.
- (2) qualifications, responsibilities, tasks and information of a job.
- (3) qualifications, responsibilities, duties and tasks of a job.
- (4) tasks, employee attributes, duties and qualifications of a job.
- (5) duties, experiences, employment conditions and responsibilities of a job.

(.....)

25. An institution prepares its corporate plan based on divisional plans for the period 2018-2020 by a committee consisting of employees of each level.

What is the number of planning principles contained in this statement?

(1) 1. (2) 2. (3) 3. (4) 4. (5) 5. (.....)

26. The statement that contains marketing activities that best describes the 'relationship marketing concept' is

- (1) ensuring long-term satisfaction and trust of customers.
- (2) satisfying the long-term needs of the society.
- (3) conducting transactions using social networks.
- (4) selling goods and services to end customers.
- (5) use of sales promotion to meet market competition.

(.....)

See page five

27. Select the statement which correctly indicates the testing method that is used for employee selection and its objective.

- Intelligent test is used to test the various mental abilities.
- Background test is used to test the ability to face the situation.
- Medical test is used to test the special professional skills.
- Practical test is used to test the educational qualifications.
- Aptitude test is used to test the hand writings.

28. Main objective of preparing a business plan is

- obtaining capital requirements.
- assessing business feasibility and providing guidance for its operation.
- providing awareness about business for different parties.
- selecting an appropriate location for the business.
- obtaining government incentives.

29. In what instance is, the note dishonour 'inquire drawer' placed on a cheque?

- An instance where drawer has stopped the payments
- An instance where drawer has insolvent
- An instance where written errors exist in the cheque
- An instance where cash is insufficient in the account
- An instance where there is a 'Garnishee' order (Court order)

30. The proximate reason to analyse the demographic environment by marketing managers is to

- study the needs and wants of consumers.
- identify the variations of consumer behaviour.
- identify the size and growth of market segments.
- forecast the business cycle.
- identify the political changes.

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

31. (a) Demand for goods and services is created based on the and it will be converted into an effective demand through

(b) Businesses contribute for and of a country.

32. (a) Implementing good things often evaluating business activities as good and bad is called business and positive obligations of businesses towards human and natural environmental development is called

(b) While the taxes on tobacco and liquor are collected by Department, Pay As You Earn (PAYE) taxes are collected by the Department.

33. (a) The prime objectives of an international trade agreement are to create a for goods and services and to develop international

(b) While discounts encourage the expediting of payments, discounts encourage purchasing large volume of goods.

34. (a) Stocks of any listed company on the Colombo Stock Exchange are eligible to be included in the S&P SL20 index only if they meet the criteria of financial viability, and

(b) In raising funds, lease allows lessee to use the property without transferring the ownership and lease allows lessee to use the property transferring risks and returns.

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(.....)

(.....)

(.....)

(.....)

(.....)

(.....)

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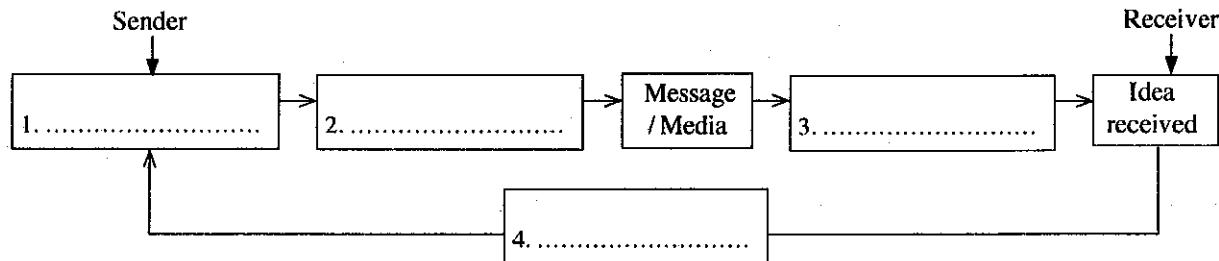
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[See page six]

35. Fill in the blanks in following diagram pertaining to communication process.



36. (a) Based on the way that the authority is vested, organization can be classified as and

(b) Managers should primarily possess skills in preparing corporate plans and they should possess skills in preparing final accounts.

37. State whether following equations are true or false.

Equation	True / False
1. Break Even Point = Fixed cost \div Contribution
2. Contribution = Selling price per unit \div Variable cost per unit
3. Quick ratio = Total assets \div Current liabilities
4. Interest Coverage Ratio = Profit before interest and tax \div Interest

38. (a) oriented leadership is concerned with production and employee-oriented leadership is concerned with

(b) Payment for extra working hours over the normal working hours is and payment for production over the targets is production

39. (a) Three waste management practices that can be used in green production are Reduce, and

(b) Controlling stocks by classifying its' value and quantity is named as method and controlling stocks by maintaining zero level is named as method.

40. (a) Consumer value means matching of consumer's perceived with of a certain product.

(b) Owing to low and wider coverage, sales promotion through internet is becoming popular.

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

41. Write the relevant system certification (field) of following standards.

1. ISO 9001 : 2015
2. ISO 14001 : 2015
3. ISO 22000 : 2005
4. ISO 26000

42. State **four** types of **non-financial** incentives offered by the government to small businesses in Sri Lanka.

1.
2.
3.
4.

43. Mention **four** ways that e-trade takes place.

1.
2.
3.
4.

44. Write **four** requirements that should be met to ensure the effectiveness of market segmentation.

1.
2.
3.
4.

45. State **four** direct financial sources available for a business.

1.
2.
3.
4.

46. Name **four** types of securities that transact in Colombo Stock Exchange.

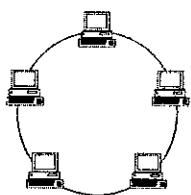
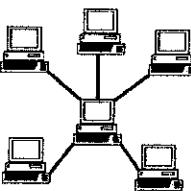
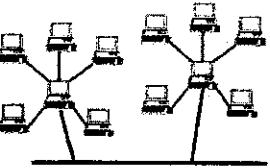
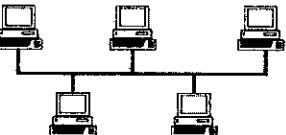
1.
2.
3.
4.

47. Mention **four** criteria that can be used to evaluate the effectiveness of human resource management in a firm.

1.
2.
3.
4.

[See page eight]

48. Name computer networks that represent in following illustrations.

1. 
.....
2. 
.....
3. 
.....
4. 
.....

49. Name the **four** methods of the data processing technology can be classified.

1. 2.
3. 4.

50. Mention **four** fields that should be concentrated on when conducting a feasibility study for a business.

1.
.....
2.
.....
3.
.....
4.
.....

* * *

Department of Examinations, Sri Lanka

സിംഗാർഡ് സഹതീക പത്ര (സ്കോപ്പ് പ്രൈസ്) വിലാസ്, 2017 മേഖലക്കു

கல்விப் பொதுத் துறைப் பகுதி (பய் து)ப் பரிசீல, 2017 ஒக்டோப்

General Certificate of Education (Adv. Level) Examination, August 2017

ව්‍යාපාර අධ්‍යාපනය II
වැනිකක් කළවී II
Business Studies II

32 E II

ஏடு ஒகை
மூன்று மணித்தியாலும்
Three hours

Instructions:

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

Part I

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1. (i) (a) List **four** objectives of a business.
(b) "Products are not only limited to goods and services." Name **four** types of products that could **not** be considered as goods and services. (04 marks)

(ii) (a) According to the classification of consumer goods, state the classification separately 'furniture' and 'glossary' are fitting into.
(b) Explain with reasons, why two goods indicated in (ii) (a) above are fitting into the classification that you have mentioned. (04 marks)

(iii) (a) Mention **two** reasons for gradual increase of contribution from tourism industry to Gross Domestic Product in Sri Lanka over the past few years.
(b) Briefly explain **two** facts that motivate people to fulfil their needs through public sector, over private sector although both sectors are competitively engage in certain fields of business. (04 marks)

(iv) Name an industry each for increasing aging population in Sri Lanka to become an opportunity and a threat, and give reasons. (04 marks)

(v) Explain **two** ways each for how the increase of competition in a certain industry having an impact on product and price decisions of a business firm operating in the same industry. (04 marks)

(Total 20 marks)

2. (i) (a) State **four** strategies that a government can use to attract the foreign investment.
(b) Ensuring consumer protection is an objective of a government. If you are engaged in the production of bottled drinking water, briefly explain **two** ways that you can contribute to fulfil this objective as a businessman. (04 marks)

(ii) (a) Write **two** differences between income tax and value added tax (VAT) by comparing each other.
(b) Mention **two** ways that increasing of bank loan interest rate affects a businessman who is engaged in real estate business. (04 marks)

(iii) "Among the public sector business institutions, government-owned public companies are more appropriate than public corporations in facing business competition". Briefly describe **two** facts to justify this statement. (04 marks)

(iv) (a) State **two** issues that can be identified in Sri Lankan 'co-operative movement' according to the way in which it operates.
(b) Write **four** facts that should be considered by a franchiser when selecting a franchisee. (04 marks)

(v) Without a written agreement, Sanath and Piyal expect to start a partnership by investing Rs. 100 000 each, to sell pharmaceutical products under the name of 'XY & Company'. Based on the information given, mention **four** basic legal enactments applicable to proposed partnership and briefly describe how they are applicable. (04 marks)

(Total 20 marks)

3. (i) "Entrepreneurs are vital for the development of a country than businessmen." Explain this statement by comparing entrepreneur and businessman. (04 marks)

(ii) Amal had an intention to become an entrepreneur, from his childhood. However, as he was not financially sound, commenced a business with a limited capital to produce ornamental items using semi-precious stones. At present, business is progressing well. Describe with reasons **two** entrepreneurial attributes as per this case. (04 marks)

(iii) (a) Mention **two** objectives a drawer expects to fulfil through crossing a cheque.
 (b) Write **two** differences between Employees Provident Fund and Employees Trust Fund. (04 marks)

(iv) According to the annual report of Central bank of Sri Lanka (2016), usage of credit cards is around 6% of total population of the country.
 (a) State **two** reasons for low rate of usage of credit cards in Sri Lanka.
 (b) State **four** strategies that a banker can follow to increase the usage of credit cards. (04 marks)

(v) (a) Write **two** ways that the relaxation of foreign exchange policy of a country affects the businesses that are engaged in foreign trade of the country.
 (b) Explain **two** ways that the supervision of commercial banks and other financial institutions by Central Bank of Sri Lanka affects the customers favourably. (04 marks)

(Total 20 marks)

4. (i) (a) Piyasiri obtained a life insurance policy for his adopted child, Wasantha. But, Wasantha died at the age of 26 from a disease he had since his childhood. Based on the principles of insurance, briefly explain **two** issues that Piyasiri may encounter when claiming the life insurance of Wasantha.
 (b) Describe what 'public liability insurance' is with an example. (04 marks)

(ii) (a) Mention **four** facts an organization should consider when selecting a communication media.
 (b) State **two** advantages that a businessman can gain by using Global Positioning System (GPS) when transporting goods. (04 marks)

(iii) Mention **four** reasons that influence the prevalence of traditional retailing shops (boutiques) though super market system is popular in the retailing sector. (04 marks)

(iv) (a) "Wholesaler is an essential party in the process of distributing goods." Mention **two** facts for each, for and against on this idea.
 (b) What is meant by 'Generalized System of Preference +' (GSP +) ? (04 marks)

(v) (a) List the steps in which the e-trade may happen.
 (b) Write **two** differences between e-business and e-commerce. (04 marks)

(Total 20 marks)

Part II

5. (i) (a) Peter Drucker has viewed management as 'Doing the right things in the right way'. Mention **two** management elements included in this idea.
 (b) Name **four** sub-roles of decision making role of a manager, as described by Henry Mintzberg. (04 marks)

(ii) (a) Mention **two** facts that determine the span of control.
 (b) Mention **two** facts that is reflected in a pyramid shaped organizational structure in a firm. (04 marks)

(iii) Briefly describe **four** basic characteristics of objectives of a business firm. (04 marks)

(iv) (a) What are the steps of rational decision making process?
 (b) Mention **two** elements to be included in a mission statement. (04 marks)

(v) (a) Write **four** practical issues that can be seen in the planning process.
 (b) "Top managers of an organization should possess conceptual skills more than other levels of management". Briefly explain **two** facts for, this idea. (04 marks)

(Total 20 marks)

6. (i) Briefly describe **four** possible weaknesses in organizing. (04 marks)

(ii) Naming **four** sources, that a manager gets power other than legitimate power and describe any **two** of them. (04 marks)

(iii) (a) Write **two** similarities between democratic leadership style and laissez-faire leadership style.
 (b) Write **four** methods that an organization can use to motivate the floor-level employees. (04 marks)

(iv) (a) Mention **two** advantages and **two** disadvantages of informal communication of an organization.
 (b) Write **two** types of information that is communicated from top management to lower management and **two** types of information from lower management to top management of an organizational hierarchy. (04 marks)

(v) Kamal, a building contractor, realized that there was a huge wastage of building materials in previous projects and also found that they could not be completed on time. Mention **two** controlling methods for each that Kamal should follow to minimize the wastages of materials and complete the projects on time in future. (04 marks)
 (Total 20 marks)

7. (i) Out of five levels of a product, describe any **four** by taking mobile phones as an example. (04 marks)

(ii) (a) Mention **four** tests (areas) that can be used to check the suitability of a package when designing it.
 (b) List **four** conditions that should be satisfied for an effective exchange. (04 marks)

(iii) (a) State most appropriate production methods in manufacturing 'pen' and 'optics' and give reasons.
 (b) Write **four** facts to be considered in designing a production layout in a manufacturing firm. (04 marks)

(iv) During the past few years, there was a gradual decline of operational income of an organization. Mention **four** strategies that the organization can use to increase the operational income. (04 marks)

(v) Name **two** sources of external funds available for a public limited company and mention **two** advantages and **two** disadvantages of such sources. (04 marks)
 (Total 20 marks)

8. (i) State **two** advantages and **two** disadvantages for a firm in recruiting clerks by calling applications through Internet. (04 marks)

(ii) Five months earlier, Nimali joined the ABC firm as a management assistant, subject to six months of probationary period. Since management is not happy with her quality of work, mention **four** decisions that the management can take about Nimali. (04 marks)

(iii) (a) State **four** security methods that a business can use to protect the information system.
 (b) Write **two** differences by comparing data and information. (04 marks)

(iv) Name **two** management functions at operational level that the transaction processing system (TPS) can be used and state **two** transactional processing systems for each function. (04 marks)

(v) (a) Mention **two** reasons as to why a business plan is important.
 (b) State **four** needs of preparing an operational plan as a part of a business plan. (04 marks)
 (Total 20 marks)

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