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 இலங்கைப் பரீட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம்
 Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka
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අධ්‍යයන පොදු සහතික පත්‍ර (උසස් පෙළ) විභාග, 2015 අගෝස්තු
கல்விப் பொதுத் தராதரப் பத்திர (உயர் தர)ப் பரீட்சை, 2015 ஆகஸ்ட்
General Certificate of Education (Adv. Level) Examination, August 2015

ව්‍යාපාර අධ්‍යයනය I
 வணிகக் கல்வி I
Business Studies I

32 E I

පැය දෙකයි
 இரண்டு மணித்தியாலம்
Two hours

Instructions:

- * Answer all the questions on this question paper itself.
- * Write your Index Number 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	
TOTAL		Chief	
		E.M.F.	

- Which of the following answer contains only the characteristics of wants?
 (1) Unlimited, varied and common (2) Can be created by businessmen, common and limited
 (3) Subjective, limited and varied (4) Unlimited, varied and subjective
 (5) Common, can be created by businessmen and varied (.....)
- Following are some of the business activities that are related to different economic sectors. Out of them, select the answer that contains business activities related to service sector.
 (1) Cottage industry and import trade (2) Cinnamon based product processing and transport
 (3) Construction and gas (4) Transport and fishing
 (5) Communication and transport (.....)
- Out of the following pairs, select the correct answer for unsought goods.
 (1) Life insurance and personal accidents insurance
 (2) Motor vehicle and motor vehicle insurance
 (3) Personal accidents insurance and house
 (4) Newspaper and motor vehicle
 (5) House and fire insurance (.....)
- Following table shows several internal forces and strengths that affect the affairs of sole trade business.

Internal forces	Strengths
A. Organization structure	1. Experience
B. Owner	2. Up to date
C. Employees	3. Goodwill
D. Resources in use	4. Easy decision making

Considering the above table, select the group which correctly matches the internal forces and strengths.

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

5. X and Y columns of the following table shows two forces of task environment and a list of opportunities and threats of a firm respectively.

X	Y
A. Producers of substitute products	1. Increasing demand for the products in the industry 2. More concern is placed by customers towards brand name
B. Competition in the industry	3. Mitigation in the law of intellectual property rights 4. Presence of market exit barriers

Select the answer that correctly matches two task environmental forces with opportunities and threats.

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

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6. Following are some of the importances of consumer protection.

- A - ability to purchase goods at fair value of the money
- B - ability to get legal protection against trade malpractices
- C - ability to build customers' confidence
- D - ability to maximize profit
- E - ability to enhance goodwill
- F - ability to ensure expected standards and safety requirements of goods

Out of the above, select the correct combination which is applicable only for customers.

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

7. Out of the following, select the institution which is **not** involved in the consumer protection affairs.

- (1) Sri Lanka Standards Institute (2) Telecommunications Regulatory Commission
(3) Department of Inland Revenue (4) Measurement Units, Standards and Services Department
(5) Consumer Affairs Authority (.....)

8. From the following conditions, select the one that is **not** applicable to partnership according to section 24 of the Partnership Ordinance 1890.

- (1) Right to receive an interest on capital equal to bank interest.
(2) Equal distribution of profits and losses among partners.
(3) Admission of a new partner with the consent of all the partners.
(4) The firm should pay the expenses, personally incurred by the partners on behalf of the business.
(5) No right to receive a salary for the service rendered by the partners to the business. (.....)

9. From the following, select the answer which contains characteristics of a Public Limited Company (PLC).

- (1) Liability is unlimited and listed on the Stock Market.
(2) Liability is limited and unlisted on the Stock Market.
(3) Minimum number of members is one and the maximum is fifty.
(4) Minimum number of directors is one and the maximum is unlimited.
(5) Liability is limited and registered on the Stock Market. (.....)

10. From the following, what could be the reason for **not** appointing a person as a director of a company?

- (1) Being a shareholder of that company (2) Holding a dual citizenship
(3) Being a person not bankrupt (4) Holding a directorship of an another company
(5) Not giving one's consent (.....)

11. Some of the initial steps in starting a business are given below. Out of them, what is the first step in starting a small scale business?

- (1) Finding capital (2) Conducting a market survey
(3) Making a business idea (4) Finding a business location
(5) Registering the business (.....)

12. The following table shows some of the factors and examples which influence an entrepreneur to start a business.

Factors	Examples
A. Individual background factors	1. Hailing from a business family
B. Social factors	2. Self-confidence
C. Entrepreneurial factors	3. Unemployment

Select the group that matches factors and examples correctly.

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

13. A list of countries and the currencies are given below.

Country	Currency
A. Italy	1. Won
B. Australia	2. Dollar
C. South Korea	3. Ringgit
D. Malaysia	4. Euro

Select the group that correctly matches country with its currency.

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

14. Some of the functions of Central Bank of Sri Lanka are given below.

- A - Maintaining financial policies
- B - Managing government debt
- C - Controlling foreign exchange
- D - Functioning as the economic advisor of government
- E - Managing Employees Provident Fund
- F - Co-ordinating programmes such as micro finance for the regional development

From the above functions, select the group which includes the institutional agency functions of Central Bank of Sri Lanka.

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

15. Some of the principles of insurance are given below.

- A - Indemnity B - Subrogation C - Contribution D - Utmost good faith

From the above, select the principle which is applicable to life insurance.

- (1) A (2) B (3) C (4) D (5) None of them (.....)

16. Some of the insurable risks and non-insurable risks are given below.

- A - Decay of motor vehicle B - Voice of a singer
- C - Death D - Aging
- E - Employee leaving

From the above, select the group which contains only the **non**-insurable risks.

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

17. From the following factors, what is the natural factor that inhibits export and import trade?

- (1) Export and import restrictions (2) High tariffs
- (3) Cultural differences (4) Rigid exchange policies
- (5) Trade agreements (.....)

18. From the following advantages of e-trade, what is the advantage that can be applicable only to a business?

- (1) Acceleration of transactions (2) Expansion of market share
- (3) Ease of transport (4) Abundance of market information
- (5) Comparatively low price level of goods (.....)

19. Some of the managerial level positions of an organization are given below.

- A - Supervisor B - Marketing Manager
- C - Financial Manager D - Chief Executive Officer
- E - Research and Development Manager F - Welfare Officer
- G - Human Resource Manager H - Working Director
- I - Production Manager J - Foreman

What is the group that includes only the middle management level positions?

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

20. Some of the methods that can be used to motivate employees are given below.

- A - Housing loans B - Employee training
- C - Decentralization of authority D - Employee insurance
- E - Production incentives F - Letter of recognition
- G - Awarding scholarships for children H - Attendance incentives

What is the group which contains the financial methods of motivation?

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

21. From the following, select the function which is **not** applicable to operations management.

- (1) Receiving returned goods (2) Product designing (3) Material purchasing
- (4) Quality control (5) Research and development (.....)

22. Some of the expenses of a manufacturing organization are given below.

- A - Monthly salaries of employees B - Factory insurance fees
- C - Purchasing raw materials D - Sales commissions
- E - Purchasing empty bottles F - Rates
- G - Piece rate wages of employees H - Royalty on units of production

Select the group that includes only the variable expenses.

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

23. From the following, what is the correct answer which contains variables, specifically in the service marketing mix?

- (1) Waiter, advertising, allowances (2) Direct salesmen, discounts, brands
- (3) Doctor, automated service process, Wi-Fi (4) Supervisor, stocks, quality
- (5) Transport, packaging, Wi-Fi (.....)

24. From the following marketing outcomes, select the group which is important only to customer.

- A - Increase of satisfaction of owners and employees
- B - Expansion of products and services range
- C - Abundance of goods and services in the market
- D - Reduction of income inequality
- E - Expansion of knowledge on market
- F - Convenience of purchasing goods and services

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

25. Which of the following can be considered as an employer right?

- (1) Working towards the achievement of organizational objectives
- (2) Behaving well at the work place
- (3) Getting the work done in accordance with the service agreement
- (4) Providing a service in par with value of salary
- (5) Performing the duties according to service agreement

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(.....)

26. An employee who has been recruited to permanent cadre before confirmation of his/her position, is named as a

- (1) casual employee. (2) temporary employee. (3) substitute employee.
- (4) probationary employee. (5) contract employee.

(.....)

27. Following are some of the various computerized management information sub-systems of an organization.

- A - Planning and controlling of purchases B - Process and machinery controlling
- C - Accounting system D - Employee salary system
- E - Computer aided design F - Employee attendance

Select the group which includes sub-systems relevant only to operations information system.

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

28. A criterion which **cannot** be used to measure the success of a sole trade business is

- (1) quality of product or service. (2) financial performance.
- (3) educational level of the owner. (4) entrepreneurial competencies of the owner.
- (5) number of employees.

(.....)

29. An item which is **not** included in an estimated project cost schedule is

- (1) cost of lands and buildings. (2) initial cost of the business.
- (3) goodwill. (4) payments of loan instalments.
- (5) administrative expenses.

(.....)

30. An item which is **not** included in a financial plan is

- (1) estimated income statement. (2) loan repayment schedule.
- (3) capital requirements. (4) estimated cash flow.
- (5) employee succession plan.

(.....)

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

31. (a) Out of different stakeholders, businesses are interested in to ensure their existence, while showing interest in to obtain infrastructure facilities.

(b) Core values system of a business is a/an environmental factor while technology is a/an environmental factor.

32. (a) Tax revenue is classified under and recurrent expenditure is classified under

(b) The interest rate charged by the Central Bank from commercial banks and primary dealers when they obtain funds from the Central Bank using government securities as collateral is known as and credit restrictions imposed by the Central Bank only for selected areas are known as

33. Fill in the blanks of the following table taking into account the basic characteristics of a Partnership and a Private Limited Company.

Criteria	Partnership	Private Limited Company (Pvt)
1. Number of members	2 - 20
2. Liability	Limited
3.	As agreed	Shares
4. Management	Partners

34. (a) The **two** mandatory conditions that should be fulfilled to become a shareholder of a company are and
- (b) **Two** examples for the franchise business in Sri Lanka are and
35. The board with the arrow, which shows emergency exit in an organization can be considered as and communication method, while a letter sent to a customer by the organization can be considered as and communication method.
36. (a) When exporting goods, the document issued by a recognized institution certifying that the goods have been produced by the exporting country is known as
- (b) Exporting of goods, after adding value to the imported goods within the imported country under the supervision of Customs is known as
37. (a) The main character of motivation is employees' contribution.
- (b) **Two** types of management controlling methods that can be used in a firm are and
38. Fill in the following table considering the classification of production methods.

Criteria	Job production	Flow production
1. Volume of output
2.	A single product

39. (a) Designing a layout to complete everything required of a single phase of production process at a single place is known as the and the layout designed to accommodate continuous flow of production process is known as
- (b) cost and cost are equal at the Economic Order Quantity (EOQ).
40. (a) **Two** price indices currently used in Colombo Share Market are and
- (b) Foreigners get involved in Colombo Share Market transactions through accounts and the banks that maintain such accounts are known as

● When answering questions 41 to 50, write the most **specific answers** in the space provided.

41. Write **four** methods that the Central Bank of Sri Lanka use to control the money supply in the economy.
1.
 2.
 3.
 4.
42. Write in the given table **two** services that can be obtained from the government for a cut flower business and name **two** institutions offering those services.

Services	Institutions
1.
2.

43. Write **four** types of services provided by the government or any other institutions for the success of small businesses.
1.
 2.
 3.
 4.

44. Fill in the following table by naming the specific agent according to their services and giving the respective fees they charge.

Activity	Agent	Agent fee
1. Debt collection of credit sales on behalf of the principal
2. Openly and verbally co-ordinate sales activities for highest prices on behalf of the principal

45. Write the full term of the following abbreviations used in international trade.

1. CIF :
2. FOB :
3. L/C :
4. B/L :

46. (a) Write **two** Contractual Savings Institutions.

1. 2.

- (b) State **two** advantages of using e-wallet.

1.
2.

47. Write **four** main objectives of forming a trade union.

1.
2.
3.
4.





48. Write **four** criteria of information classification.

1. 2.
3. 4.

49. Write **four** characteristics of an organizational structure which are illustrated with an organization chart.

1.
2.
3.
4.

50. Following are commonly used symbols (signs) in packaging. Write the meaning of each of them.

1. 
2. 
3. 
4. 

* * *

සියලු ම හිමිකම් ඇවිරිණි / முழுப் பதிப்புரிமையுடையது / All Rights Reserved

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General Certificate of Education (Adv. Level) Examination, August 2015

ව්‍යාපාර අධ්‍යයනය II
வணிகக் கல்வி II
Business Studies II

32 E II

පැය තුනයි
மூன்று மணித்தியாலம்
Three hours

Instructions:

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

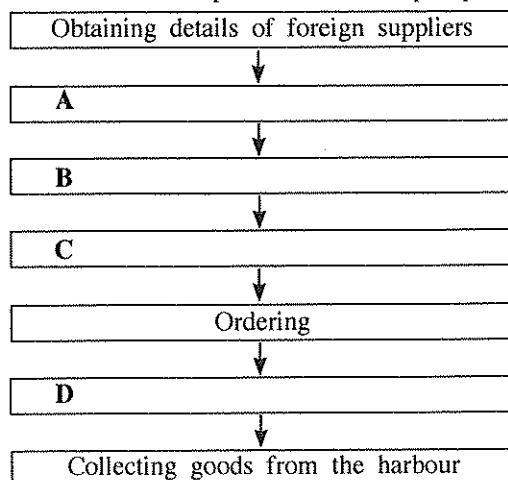
Part I

1. (i) Business organizations are a part of the social organization system.
 - (a) All organizations have common characteristics. Briefly describe the common characteristics of a formal business organization.
 - (b) "Businesses are essential for the existence of the society." While defining business, explain this idea. (04 marks)
 - (ii) Internal and external environments affect the success or failure of a business.
 - (a) Name **two** internal environmental factors of a business and explain how those factors influence the success of the business.
 - (b) Name **two** macro environmental factors of a business and explain how those factors influence the failure of the business. (04 marks)
 - (iii) There are many service providing organizations exist in Sri Lankan business sector.
 - (a) Mention **four** business supportive services.
 - (b) Briefly describe **two** services that are exporting from Sri Lanka. (04 marks)
 - (iv) At present, many businesses spend a large amount of money to fulfil social responsibilities.
 - (a) Write **four** benefits that a business can obtain by fulfilling social responsibilities.
 - (b) Describe with examples, **two** factors that need to be considered in preparing a code of business ethics. (04 marks)
 - (v) After receiving many customer complaints on the quality of yoghurt, Samantha, an owner of a yoghurt factory, has decided to use the best quality raw materials to improve the quality of the product. Explain whether this decision would help Samantha to improve the quality of the product. (04 marks)
- (Total 20 marks)
2. (i) (a) Mention **four** ways that a business can contribute to the economic development of a country.
 - (b) Name **two** consumer rights and explain the duties that a businessman should fulfil in protecting those rights. (04 marks)
 - (ii) (a) State **four** trade malpractices that are conducted by certain businessmen in Sri Lanka.
 - (b) Describe **two** actions that government can take to prevent such malpractices. (04 marks)
 - (iii) (a) Explain how a partnership differs from a franchise business.
 - (b) Currently, there is an increasing trend towards establishing franchise businesses in Sri Lanka. Describe **four** advantages available to a franchisee from a franchise business. (04 marks)
 - (iv) (a) Sri Lankan government has given high priority to engage in service sector businesses rather than manufacturing sector. Explain, with examples, the reasons for giving such priority.
 - (b) "Government expects cooperation from the business sector to achieve it's goals and business sector also contributes to achieve such goals in numerous ways." Explain this statement citing examples. (04 marks)
 - (v) Government has proposed an import levy on potatoes and onions to protect local farmers. Explain how this import levy affects local farmers and customers. (04 marks)
- (Total 20 marks)

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3. (i) (a) Entrepreneurship is an essential factor for the development of a country. Explain this idea by citing **four** examples. (04 marks)
- (b) Siripala's father is a successful businessman. Although Siripala possesses some of the entrepreneurial skills, father always insists on improving his entrepreneurial skills further more. State **four** ways to improve Siripala's entrepreneurial skills. (04 marks)
- (ii) If you have Rs. two million, do you spend this money to buy a land or do you invest in the Share Market? Explain your decision, comparing both options. (04 marks)
- (iii) (a) Explain **four** reasons as to why people are more interested in starting small scale businesses rather than starting large scale businesses. (04 marks)
- (b) Mention **four** strategies that can be used to attract customers by a small scale retailer who has faced a severe competition. (04 marks)
- (iv) (a) Even though date, amount of cash (in words and figures) and the signature of a cash cheque have been correctly written, bank teller refused to pay cash over the bank counter. Write **four** possible reasons for refusing the payment. (04 marks)
- (b) Commercial banks provide a range of services to businesses. Briefly describe **four** such services. (04 marks)
- (v) (a) "A co-operative rural bank does not differ from a commercial bank." Do you agree with this statement? Give reasons for your answer. (04 marks)
- (b) Currently, financial companies are rapidly growing in Sri Lanka. Give **four** reasons for such rapid growth of financial companies. (04 marks)
- (Total 20 marks)

4. (i) (a) Explain **two** problems the insured faces for each, when claiming compensations for life insurance and motor vehicle insurance. (04 marks)
- (b) Chandrasiri is a professional instrumentalist and a vocalist. Often, he travels by his own vehicle to participate in local musical shows. Also he participates in overseas shows. Name **four** potential risks that Chandrasiri could face and mention insurance policies that he can obtain to cover such risks. (04 marks)
- (ii) Explain the various changes that could take place in the business sector due to the development of highway network. (04 marks)
- (iii) (a) Write **four** basic factors that should be considered when a manager delivers a lecture for his staff. (04 marks)
- (b) Mention **four** disturbances that could influence the effectiveness of electronic communication between two persons. (04 marks)
- (iv) State **two** reasons for each, 'for' and 'against' with regard to elimination of wholesaler from the distribution channel. (04 marks)
- (v) (a) Following chart shows some of the steps in relation to import process of Agro-chemical products.



State the steps of the above process for A, B, C and D on your answer script.

- (b) Write **four** facilities that can be used to make the settlement of credit card transactions easier. (04 marks)

(Total 20 marks)

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Part II

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5. (i) Provide an example for each of the following roles of a manager.
 (a) Leader
 (b) Information disseminator
 (c) Entrepreneur
 (d) Resource allocator (04 marks)
- (ii) "Leadership is essential for the success of an organization." Explain this idea. (04 marks)
- (iii) Draw a chart showing the production process for a selected bakery product providing examples for each step of that process. (04 marks)
- (iv) (a) Write **four** factors that you could use to convince the importance of break even analysis when delivering a lecture for small traders.
 (b) "Without standards no implementation of successful controlling process." Justify this statement taking into account the controlling process. (04 marks)
- (v) Number of products at break even point is 4000 units. Variable cost per unit is Rs. 10.
 (a) Calculate the total fixed cost, if the selling price of a unit is Rs. 15.
 (b) Calculate the total units that have to be sold to earn a profit of Rs. 10 000. (04 marks)
 (Total 20 marks)
6. (i) (a) Every market segment may not be effective. Describe the requirements for an effective market segmentation.
 (b) Nimal is operating a commuter transport service using five normal buses. What can you suggest, as additional facilities, that Nimal could add to his transport service, in order to enhance customer satisfaction further? (04 marks)
- (ii) (a) Describe what primary package and secondary package are.
 (b) Explain briefly **two** advantages that a businessman can gain from packaging. (04 marks)
- (iii) (a) Mention **four** main objectives of financial management.
 (b) Briefly describe what is meant by financial decisions and investment decisions. (04 marks)
- (iv) Yasapala is planning to start a venture for grinding, packeting and distributing chillies and spices. Give **two** examples for each of his long-term and short-term financial requirements. (04 marks)
- (v) (a) Describe what is meant by 'capitalization of reserves'.
 (b) Mention **four** actions that a manufacturing firm can use to minimize environmental pollution. (04 marks)
 (Total 20 marks)
7. (i) Describe with examples, **four** components of financial system of a country. (04 marks)
- (ii) (a) Name **four** parties involved in Colombo Share Market.
 (b) What advantages can a buyer obtain by purchasing treasury bills? (04 marks)
- (iii) Kamal and Sarath faced an interview for a post of Sales Agent. Kamal is educated only upto grade 8. Although, Sarath has passed his A/L examination, at the interview Kamal was selected for the post. Explain **four** reasons that affected to select Kamal. (04 marks)
- (iv) Complete the following table, which is based on two Human Resource Management functions, by indicating an item for each relevant place. (For your answer, use a similar table as given below.)

Parties \ Functions	Performance evaluation		Training and Development	
	Advantages	Disadvantages	Advantages	Disadvantages
To organization				
To employees				

- (v) Write **four** advantages that an organization can obtain by maintaining sound employer-employee relationships. (04 marks)
 (Total 20 marks)

8. (i) (a) Explain **four** ways as to how knowledge economy is useful for the businesses.
 (b) "Information is more useful than data." Explain this statement by comparing data and information. (04 marks)
- (ii) The following chart shows the nature of the use of information systems. (Write only the answers for ①, ②, ③, ④, ⑤, ⑥, ⑦ and ⑧ places in your answer script.)

Organizational Level	Information Systems	Required for	Examples
Operational	①	Routine activities	②
Knowledge	Office Automation	③	④
⑤	Management	Planning and Control	⑥
Strategic	⑦	⑧	Investment Appraisal

(04 marks)

- (iii) (a) Write **four** items of information that have to be considered for 'competition analysis' of a marketing plan.
 (b) Write **four** examples for cash inflows in a cash-flow statement. (04 marks)
- (iv) (a) Describe the difference between 'system software' and 'application software'.
 (b) Describe 'bus network' and 'star network'. (04 marks)
- (v) (a) Show the method of calculating net sales of an estimated income statement.
 (b) State **four** main cost items that require funds for daily operations of a business. (04 marks)
- (Total 20 marks)

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