



Provincial Department of Education - NWP Provincial Department of Education - NWP Provincial Department of Education - NWP Provincial Department of Education - NWP
 Provincial Department of Education - NWP Provincial Department of Education - NWP Provincial Department of Education - NWP Provincial Department of Education - NWP
 Provincial Department of Education - NWP Provincial Department of Education - NWP Provincial Department of Education - NWP Provincial Department of Education - NWP
Provincial Department of Education - NWP
 Provincial Department of Education - NWP Provincial Department of Education - NWP Provincial Department of Education - NWP Provincial Department of Education - NWP
 Provincial Department of Education - NWP Provincial Department of Education - NWP Provincial Department of Education - NWP Provincial Department of Education - NWP
 Provincial Department of Education - NWP Provincial Department of Education - NWP Provincial Department of Education - NWP Provincial Department of Education - NWP

32 E I

Second Term Test - Grade 13 - 2018

Index No : **Business Studies I** **Two Hours**

- Instructions**
- ❖ Answer all questions in this paper itself.
 - ❖ Write the number of correct answer in the given bracket for the questions No. 1 to 30.
 - ❖ Write the correct answer on the dotted lines for the questions No. 31 to 50.
 - ❖ Every question carries 2 marks.

01. Select the statement which explains the inter relationship between needs and wants.
1. Needs must be fulfilled first and wants are secondary
 2. Needs must be fulfilled essentially and wants and not compulsory.
 3. Wants need not to be fulfilled if needs the fulfilled
 4. Needs are fulfilled when the wants are fulfilled.
 5. There is no difference in fulfilling needs or wants. (.....)
02. The basic difference between consumer goods and industrial goods is defined by,
1. Nature of demand and the frequency of demanded
 2. Durability of the products
 3. Purchasing objective
 4. The value of the product
 5. According the marketing and distribution methods (.....)
03. Following are some environment factory affecting businesses. Select the group of factors that can be controlled by the business
1. Owner, Public, manager, resources
 2. Consumer, resources, owner, employees
 3. Competitors, employees, consumers, resources
 4. Owners, resources, economy, suppliers
 5. Owner, employees, managers, resources. (.....)
- 04 Following table shows benefits and the incidences affected them as found by a business through SWOT analysis. Match them accurately and find the correct answer.

A	B
1. Strengths	a) Declining interest rates
2. Weaknesses	b) Increasing management skills
3. Opportunities	c) Tough laws and regulations affecting to business
4. Threats	d) Financial difficulties

1. 1 - a , 2 - c , 3 - b , 4-d
2. 1 - b, 2- d, 3 - a, 4 - c
3. 1 -c, 2 - a, 3-b, 4-d
4. 1 - d, 2 - a, 3-c, 4-b
5. 1 - a, 2 - b, 3- c, 4 - d (.....)

05 Followings are some factors relating to business social responsibility

- A - Economic Benefits
- B – Duly tax payment
- C – Equality
- D- Welfare services
- E – Environment concern
- F – Job security

Select the answer which shows BSR towards the society only,

1. ABC 2. ABD 3. ACD 4. BDE 5. BCE (.....)

06 Which one of the following is not an interest rate relevant to standard facility rate (SFR)

- 1. Standing depositary facility rate
- 2. Bank interest rate
- 3. Standing commercial bank rate
- 4. Standing lending facility rate
- 5. Repo rate

(.....)

07 Which one of the following is not a method of operating standards

- 1. Voluntarily
- 2. Punishments
- 3. SLS mark system
- 4. Pre export inspection
- 5. Import inspectors

(.....)

08

X	Y
A. State companies	1. Can be started without a capital
B. Offshore companies	2. Business name is obtained under royalty
C. Franchises	3. Business activities within country is prohibited
D. Listed companies	4. Listed in share market
E. Companies limited by guarantee	5. Operate only under government control

When above table is matched correctly the correct answer is,

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

(.....)

9. Select the correct answer which shows the minimum number of members to given businesses.

	Private limited companies	Public limited Companies	Companies limited by guarantee	Co-operatives
1	2	2	2	10
2	1	1	2	10
3	1	2	1	7
4	2	1	1	10
5	1	1	2	7

(.....)

10 What is the statement which shows the regulations relevant to share holders and shares according to the companies act no 07 of 2007

- | | |
|------------------------------|---------------------------------|
| 1. Share warrant | 2. Article of association |
| 3. Memorandum of association | 4. Certificate of incorporation |
| 5. Share certificate | |

(.....)

11 Match following table and find the correct answer

<p>A - Entrepreneurial skills</p> <p>B - Entrepreneur Characteristics</p>	<ol style="list-style-type: none"> 1. Ability to bear risk 2. Leadership 3. Creativity 4. Dedication 5. Interpersonal ability 6. Communication skill 7. Self confidence 8. Basic management skills
---	--

- | | | | |
|----------------|-------------|-----------------|-------------|
| 1. A – 1,2,3,8 | B – 4,5,6,7 | 2. A – 1,3,4,7, | B – 2,5,6,8 |
| 3. A – 2,3,7,8 | B – 1,4,5,6 | 4. A – 3,5,6,8 | B – 1,2,4,7 |
| 5. A – 4,5,6,7 | B – 1,2,3,8 | | |

(.....)

12. Match the criteria of classifying small businesses with the relevant institution

Criteria	Institute
A - Capital Employed	<ol style="list-style-type: none"> 1. Department of Census & Statistics 2. Institute of Industrial Technology 3. Small Industries Department 4. Industrial Development Board 5. Ministry of Rural Industries Development
B – Number of Employees	

- | | | | |
|--------------|-----------|------------|-----------|
| 1. A – 1,2,5 | B – 3,4 | 2. A – 1,2 | B – 3,4,5 |
| 3. A – 2,3,4 | B – 1,5 | 4. A – 3,5 | B – 1,2,4 |
| 5. A – 2,4 | B – 1,3,5 | | |

(.....)

13. The details given in MICR of a cheque are,

1. Date, amount, payees account number
2. Drawers signature, Amount, Bank Number and branch number
3. Date, payees account number, Amount
4. Cheque number, Drawers Bank's number and branch
5. Drawers account number, amount, cheque number

(.....)

14. Which one of following is a contractual savings organization?

- | | |
|------------------------------|-----------------------|
| 1. Employee provident fund | 2. Unit trust venture |
| 3. Venture capital companies | 4. Leasing companies |
| 5. Share brokers | |

(.....)

15. Notes and coins used at present are also called as,

- | | | |
|----------------|----------------|-------------|
| 1. Fiat money | 2. Black money | 3. E- money |
| 4. Token money | 5. Near money | |

(.....)

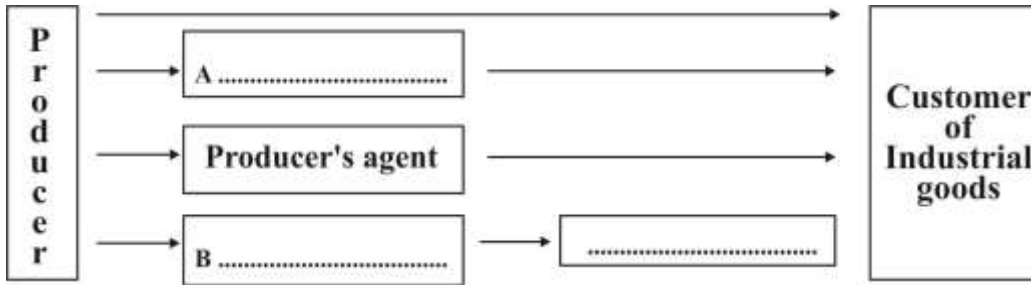
16. Which one of the following is not a feature of insurable risk?
 1. Uncertainty of the risk
 2. Ability to measure future loss financially
 3. Verifiability
 4. Unconnectedness
 5. Certainty of the risk (.....)
17. Which one of the following is not taken into the main parties involved in insurance agreement?
 1. Insurance board
 2. The person who obtains the policy
 3. Insurer
 4. Insured
 5. Third party (.....)
18. A document used in transporting passenger by a train is,
 1. Railway bill
 2. Railway warren
 3. Bill of lading
 4. Railway season
 5. Returning receipts (.....)
19. Which one of following is not a large scale trading method?
 1. Department shops
 2. Duty free shops
 3. Market complex
 4. Delivery vans and lorries
 5. Bonded shops (.....)
20. Which one of following is not a step of import process?
 1. Finding foreign customer
 2. Sending price inquiry
 3. Receiving import lisons
 4. Sending indent
 5. Having to pay money to the exporter (.....)
21. Following are some functions relating to management
 A - Division of labor
 B - Environment analysis
 C - Co-ordination
 D- Establishing objectives
 E - Identifying tasks / jobs
 F - Departmentalization
 G - Communication
 Select the answer which shows functions relating to organizing function only.
 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 (.....)
22. Following table shows some bases for classifying plans and types of plans. Match A with B and find the correct answer
- | Base | Types of plans |
|----------------------------|----------------------|
| 1. According to broadening | A Secondary plans |
| 2. According to time | B. Operational plan |
| 3. Specific | C. Long term plan |
| 4. Usage range | D. Fixed usage plans |
- 1.A,C,B,D
 2. B,C,D,A
 3. C,A,B,D
 4. D,B,C,A
 5. B,C,A,D (.....)
23. What is the most suitable stock controlling method when the perishability of the stock is high?
 1. Determining stock levels
 2. Two bin system
 3. JIT system
 4. ABC analysis
 5. Continuous recording method (.....)

24. Economic order quantity is very important for a business because it can avoid losses. What is the most important feature in deciding economic order quantity?
1. When total cost is maximum ordering and holding cost is minimum
 2. Total cost is minimum and ordering cost and holding cost maximum
 3. Total cost, ordering cost and holding cost are equal
 4. Total cost is minimum and ordering cost and holding cost are equal
 5. Total cost and ordering cost are equal and holding cost is minimum (.....)
25. Following are some statements regarding the life cycle of a product
- A. Sales are increased in maturity stage
 - B. Sales are slowly increased in introduction stage
 - C. Sales income is very high in development stage
 - D. Profit is increasing at the development stage
 - E. Profit decreases in declining stage
- What is the answer which shows correct statements?
1. A,B,C
 2. C,D,E
 3. B,D,E
 4. B,C,D
 5. A,C,E (.....)
26. Method of selling products by salesman or his agent to a specific person or a small group of customers is called as,
1. Marketing
 2. Relationship marketing
 3. Social responsibility marketing
 4. Direct marketing
 5. Personal selling (.....)
27. Colombo Stock Exchange means,
1. Another name for Sri Lanka securities and exchange commission
 2. A company limited by shares
 3. An organization which administrate the sales and purchasing of shares of listed companies
 4. Institute established by government to transact government securities
 5. A regulatory body which regulates the shares of private and public companies (.....)
28. Which one of followings is not a service given by automated trading system, (ATS)
1. Transactions are settled quickly
 2. Showing the number and value of shares sold
 3. Sharing price indices through internet
 4. Giving details of customer
 5. Giving details of economic growth and development (.....)
29. The price index introduced instead of Milanka price index is,
1. All share price index
 2. Total income index
 3. New Colombo price index
 4. Standard and Poors Sri Lanka 20 Index
 5. Colombo price index (.....)
30. Select the group which relates to human resource management function
1. Recruitment & selection / Training & Development / Welfare
 2. Recruitment & Selection / Training and development / salary payment
 3. Recruitment & selection / Transferring / salary payment
 4. Promoting / paying salary/ transferring
 5. Termination / Recruitment & Selection / Paying salary (.....)

• **Fill in the blanks for the questions 31 to 40**

31. a) Business = + + Auxiliary services
 b) According to the central bank annual report industrial sector consists of 1.
 2. 3..... and electricity gas and water.
32. Preparing a Business framework to protecting environment, developing employee skills and developing business is and is about paying attention wards correct thing against wrong.
33. Government act as a by introducing TV channels like Jathika Rupavahini and it affect businesses as a by establishing organization like Inland Revenue.
34. a). Transferring the right of a company to produce, sell products to another business is called as
 b) The part of loss of a bankrupt partner should be born by other partners according to the verdict of garner vs marray case.
35. a). and are two types of non financial incentives given by the government to the small scale business.
 b) and are two projects introduced by government to encourage small scale industries.
36. Memo is a written communication method and intercom is an internal communication method.
37. a) The controlling method used to react for the actual situation of organizational environment is called
 The controlling method used to evaluate performance of employees can be called as
 controlling.
 b) An organization can be classified as and according to the way authority is deligated.
38. a) layout is suitable for the projects like Moragahakanda reservoir project.
 b) Printing 1000 tutorials for the students for the lesson "Operation Management" is a production method.

39. a) Fill in the blanks of following chart.



b) The strategies to achieve goals of a business organization is called as

40. a) and are two uses of share market indices

b) and two instruments exchanged in Colombo share market.

• Give specific short answers for following 41 to 50 questions.

41. Fill in the following table

Force	Environment factor	Use
1. Having good organization culture
2. Having many substitute providers
3. Weak decisions of Manager
4. Increasing the price of weat flour in world market and giving subsidies to rice flour producers by government

42. Name 4 ways that business support government to achieve its objectives

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

43. What is the statement that should be mentioned in crossing of a cheque to say that the transferee does not have a greater right to it than the transferor?

.....

44. Name 4 Insurance principles

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

45. Name 4 things to be considered in selecting a suitable transport method

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

46. Name 4 institutes support the development of international trade

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

47. Name 4 management functions relating to decision role of a manager according to Henry Mintzberg

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

48. Name 4 types of brands

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

49. Name 4 short term investment decisions

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

50. What are the two documents a manager uses in job analysis?

- 1.
- 2.



Provincial Department of Education - NWP Provincial Department of Education - NWP Provincial Department of Education - NWP Provincial Department of Education - NWP
 Provincial Department of Education - NWP Provincial Department of Education - NWP Provincial Department of Education - NWP Provincial Department of Education - NWP
 Provincial Department of Education - NWP Provincial Department of Education - NWP Provincial Department of Education - NWP Provincial Department of Education - NWP
Provincial Department of Education - NWP
 Provincial Department of Education - NWP Provincial Department of Education - NWP Provincial Department of Education - NWP Provincial Department of Education - NWP
 Provincial Department of Education - NWP Provincial Department of Education - NWP Provincial Department of Education - NWP Provincial Department of Education - NWP
 Provincial Department of Education - NWP Provincial Department of Education - NWP Provincial Department of Education - NWP Provincial Department of Education - NWP

32 E II

Second Term Test - Grade 13 - 2018

Index No : **Business Studies II** **Three Hours**

Instructions,
Write answers for 5 questions by selecting at least 2 questions from each part A and B

Part A

- 01. i. (a) The success of business is determined depending on the satisfaction of business interested parties. Explain this statement. (2 marks)
- (b) Name four reasons as to why a business establishes goals and objectives. (2 marks)
- ii. (a) Define following business concepts.
 - 1. Market 2. Market Place 3. Market space (2 marks)
- (b) Name four differences in between industrial goods and consumer goods. (2 marks)
- iii. Following are some details abstracted from Central Bank annual report.
 (Figures are in Rs. Millions.)

Agricultural	175	Forestry	80
Fisheries	70	Transportation	64
Government Services	92	Manufacturing	280
Mining and Quarrying	92	Wholesale and Retails	100

Calculate following things by using above details.

 - 1. Contribution of Primary Sector Production.
 - 2. Contribution of Secondary Sector Production.
 - 3. Contribution of Territory Sector Production.
 - 4. Contribution of Agricultural Sector Production. (4 marks)
- iv. Sadeepa is a famous sandal producer. The reason for this success is he works with a good understanding of the business environment.
 - (a) What are the environment factories that he may pay his attention? (2 marks)
 - (b) Explain two of those factors shortly. (2 marks)
- v. Business social responsibility creates a positive impact on the society through its management activities.
 - (a) Name four parties for which the business should fulfill its social responsibility and name one business social responsibility towards each part. (2 marks)
 - (b) Any business in the world at present win its competitions by carrying on his business according to a code of ethics. Explain business code of ethics briefly.

02. i (a) A business obtain much benefits by following rules and regulations, being truthful, being honest, being reasonable. This gives it a good profit too. Name and explain briefly four things to be considered when preparing a business code of ethics. (4 marks)
- ii. (a) Full employment and economic growth are main economic objectives of any economy. Explain these two objective shortly. (2 marks)
- (b) What are the objectives of government fiscal policy and monetary policy? (2 marks)
- iii. (a) Classify following taxes as direct tax and indirect tax.
Custom duties, Capital gain Tax, Co-operate tax, Income Tax, VAT (2 marks)
- (b) Name four consumer responsibilities. (2 marks)
- iv. (a) Name four advantages of sole proprietorship compared to other forms of businesses. (2 marks)
- (b) Define a partnership as mentioned in partnership ordinance 1980. (2 marks)
- v. Sunil has decided to convert his sole proprietorship business to a private limited company by joining his brother Nimal.
- (a) Name 04 documents required to register a private limited company. (2 marks)
- (b) Name four advantages that can be gained by Sunil & Nimal by registering it as a private limited company without making it a public limited company. (2 marks)
03. i (a) Name 04 differences in between public limited company and a private limited Company. (2 marks)
- (b) Businesses are classified as private sector and public sector business based on their ownership. Government maintains some business under government ownership. Name 04 reasons to maintain / carry on business under government owner ship. (2 marks)
- ii. (a) Even mass media speaks about social entrepreneurship. "Eth Pawra" is an example for it. Give your own definition regarding social entrepreneurship. (2 marks)
- (b) Entrepreneurship is very important for the development of any country. What is the importance of entrepreneurship to a country? (2 marks)
- iii. Imagine that you have introduced a pair of sandals suitable for diabetes patients and you are going start a business entity to produce and sell those products. Explain the entrepreneurship process using this incident as an example. (4 marks)
- iv. (a) Name and explain 04 features of good money that are helping the functions of money to perform successfully. (2 marks)
- (b) Explain what is meant by 'Bearer Cheque" ard 'Order Cheque" (2 marks)
- v. (a) What is meant by 'Bank interest rate? Explain effect of decreasing bank interest to the business. (2 marks)
- (b) Explain treasury bills and treasury bonds shortly. (2 marks)
04. i. (a) What is the meaning of 'Risk' in insurance? (2 marks)
- (b) Name 04 elements / principles that should be included in an insurance agreement to validate that contract / agreement.
- ii. (a) Explain weather flood can be covered under fire insurance. (2 marks)
- (b) Name 04 things that should be taken in to consideration when preparing a message. (2 marks)

- iii. (a) Name 04 barriers to effective communication. (2 marks)
 (b) Name 02 advantages received from retailer to the each consumer and producer. (2 marks)
- iv. (a) Define the concept of 'Multiple Shops' (2 marks)
 (b) Explain the differences in between entraport and re-export.
- v. Classify and explain the barriers to free trade with examples (2 marks)

Part B

- 05. i. Robert Katz has introduces and management skills discovered through his reaches.
 - (a) What are the management skills introduced by him and explain the management levels for which those skills are important. (2 marks)
 - (b) Name 04 symptoms of low motivation. (2 marks)
- ii. (a) Name 04 features of a manager that make him a good leader. (2 marks)
 (b) Name 04 things which are shown in an organization structure. (2 marks)
- iii. (a) Name 04 issues faced by a business due to weak communication. (2 marks)
 (b) Give 04 advantages of narrow span of control. (2 marks)
- iv. Name three time period of control and explain them shortly. (4 marks)
- v. It is very important to produce / manufacture products efficiently in order to fulfill consumer needs and wants successfully.
 - (a) Define operations management adding the details given above. (2 marks)
 - (b) Production control is very important as a field at which the manager should pay his attention. Name 04 controlling areas in operations activities. (4 types of controlling) (2 marks)
- 06. i. (a) Show the production process in chart. 'The production process adds value to the input of the product and increases the value of the product' Explain this statements adding the value to input of the product" Explain this statement with examples. (4 marks)
- ii. (a) It is very important to prepare a layout plan after selecting a method to produce a product. Explain layout planning in your words. (2 marks)
 (b) Name 04 advantages of layout planning. (2 marks)
- iii. (a) Following are some information relating to determining the stock levels of business X.

Minimum consumption of materials	–	80 units per day.
Maximum consumption of materials	–	120 units per day.
Re order quantity	–	4800 units
Re order time	–	Maximum - 20 days
		Minimum - 30 days

Calculate the reorder level and maximum stock level from the above details. (2 marks)
- (b) Effectiveness is an important measurement that measures the efficiency of a product. Define the concept 'Effectiveness'
 Explain shortly the increasing and decreasing of productivity. (2 marks)

- iv. (a) Marketing is a social and managerial process which satisfy needs and wants of individuals and organizations. Give a definition for marketing in the view of social concern. (2 marks)
- (b) Name the marketing concepts which developed gradually from the past up to now. (Evolution of marketing concepts.) (2 marks)
- v. (a) Explain what is meant by Market Segmentation. Name 04 bases that can be used to segment the market. (2 marks)
- (b) Service marketing mix is more challenging than the goods marketing mix in the view of businessman. What are the variables included in service marketing. (2 marks)
07. i. (a) Price mix is a very important mix in the marketing mix. Define 'Price" and explain why price is more important. (2 marks)
- (b) Name 2 cost base pricing methods and 2 demand base pricing methods. (2 marks)
- ii. Package protects the product and it has been used as a marketing tool as well today. Define 'packaging" and "Package" separately. (4 marks)
- iii. (a) Advertising is a major promotional tool in communication mix. Name and explain 04 objectives of 'Advertising' (2 marks)
- (b) Define 'Sales Promotion' Name 03 methods used in sales promotion. (2 marks)
- iv. (a) Isuru is a graduate who has read for Financial Management degree. He faced an interview for the post of Financial Manager in a reputed company. He has been asked what was the main goal and additional goals of Financial Management. What are the main goal and additional goals of Financial Management? (2 marks)
- (b) What are the two types of vital decisions in Financial Management? Explain them briefly. (2 marks)
- v. (a) Most of the organizations prepare a cash budget before the starting of financial year, what are the advantages of preparing a budget? (2 marks)
- (b) The fund requirement of a business is of two types. What are they? Give 02 examples for each. (2 marks)
08. i. (a) A business should pay its attention towards many areas when it fulfil its fund requirements. What are the factors to be considered by a business in fulfilling the financial needs? (2 marks)
- ii. (a) What is meant by Activity Ratio ? Give two examples for that? (2 marks)
- (b) What are the long term investment decisions? What are the things to be considered in having long form financial decisions? (2 marks)
- iii. You have heard the term 'Financial Market' frequently. What is a financial market? What are the sub market of financial market? (4 marks)
- iv. (a) Human resource is the vital resource in business resources. Name 4 specific features of Human resource compared to other resources. (2 marks)
- (b) Name four disadvantages of internal recruitment and explain them. (2 marks)
- v. (a) What is meant by human resource planning? (1 mark)
- (b) List down 6 matters that should be taken in to consideration in forecasting future requirement of human resource. (3 marks)

Second Term Test - 2018
Business Studies – Grade – 13 - Answer
Part I

(01) - 4	(11) - 2	(21) - 5
(02) - 3	(12) - 3	(22) - 5
(03) - 5	(13) - 4	(23) - 3
(04) - 2	(14) - 1	(24) - 4
(05) - 4	(15) - 4	(25) - 3
(06) - 3	(16) - 5	(26) - 5
(07) - 2	(17) - 1	(27) - 3
(08) - 5	(18) - 4	(28) - 5
(09) - 2	(19) - 4	(29) - 4
(10) - 3	(20) - 1	(30) - 1

31. a) Industries, Trade b) Manning and quarrying, construction
32. a) social responsibility b) ethics
33. competitor , Tax collector 34. a) franchise business b) Final capital rats
35. a) consultancy services, Infrastructure facilities b) Sawana, sabanya
36. Internal verbal 37. a) strategic control, feed Bach control b) centralized , Decentralized
38. a) Fixed position layout b) Batch production
39. a) A - Distributor of industrial goods B – Agent of the producer C – Distributor of industrial goods
 b) Marketing, Marketing mix
40. a) To know about the operations of the economy / To compare the markets of the countries
 b) Ordinary shares, preference shares
41. Internal - strengths Task - Threats Internal - Weaknesses Macro – Opportunities
42. 1. Paying tax 2. Following rules and regulations 3. Contributing to employment
 4. Utilizing local resources 5. Minimizing damages to the environment
43. The term "not negotiable"
44. 1. Insurable interest 2. Indemnity 3. Utmost good faith 4. Contribution
 5. Subrogation 6. Proximate cause
45. Nature of the product /Distance/ Speed, standards / security, availability / cost, capacity
46. World rat/de organization / World bank / International monetary fund / G – 8
47. 1. Arbitrator 2. Resource allocator 3. Negotiator 4. Entrepreneur
48. National Bank / Private Brand / Family Brand / Product Brand / Individual Brand
49. Decisions of cash management , Decision on debtors , Decision on trade starch,
 Decisions regarding other short term investments
50. Job description and job specification

Second Term Test - 2018
Business Studies – Grade – 13
Part II

- 01)I. a) Business interested parties have their own specific goods to be focused and interested on businesses. If they cannot fulfill there objectives through the business they won't take part in the business and a business cannot survive then. (2 marks)
- b) To explain every one what business expects to achieve
 To spourt manages to utilize resources successfully
 To facilitate managers and employees in their activates
 To operate the business successfully
 To motivate employees.

II. a) Market – any place or situation buyers and sellers meet to exchange goods and services.

Market place – A specific place where buyers and sellers meet face to face to do transactions

Market Space – The wide market which supports buyers and sellers to meet virtually through internet with the use of information and communication technology.

Consumer Goods	Industrial Goods
1. Taken to the final consumption	Taken to the consumption of businesses
2. There is a direct demand	Demand is indirect
3. Uses in day today consumption	Uses in production activities
4. There is a short term life time	There is a long life time

III a) Primary sector

Agricultural - 175

Forestry - 80

Fishery - 70

Manning - 92

417

b) Secondary sector Manufacturing = 280

c) Territory production -

Wholesale and retail - 100

Government services - 72

Transportation - 64

256

e) Agricultural Sectors

Agri - 175

Forestry - 80

Fishery - 70

• 325

IV a) Internal, task, macro (2 Marks for 3, 1 for 2 and no marks for less than 1)

b) **Internal environment** – Groups and situations which influence the business and that can be controlled by it.
Eg – Owners, Manager, employees etc.

Task environment - Special groups and organizations which can affect and influence business more closer to the business. Eg – consumers, suppliers, competitors.

Micro environment – The broad environment and parties who influence the business.

Eg. Economic environment, political environment etc...

V a) Employees, Owners, customers, society

Employees – Equality, Society, Job Protection

Owners – Giving customers service sufficiently

Society – social welfare activities, was management

b) Business's performing in a way that benefit the business it self, the society and all other parts with a good understanding about what is right and wrong (2 marks)

02.I a) Business, customer, competitors, social culture etc.

Business – Nature of the business, Nature of the product

Customer – His purchasing style, Social and cultural values of his

Employee – His environment, His needs and wants

Competitor – Information regarding competitor, His code of ethics

(4 marks)

II a) Full employment means utilizing all the resources for an economy to its production activities. Economic development means continuous increasing of DP of a country. (2 marks)

- b) Fiscal policy – protecting macro economic stability
 Monetary policy – Maintaining price stability in local economy (2 marks)

III a)

Direct tax	Indirect Tax
Capital gain tax	Custom duties
Corporate tax	Production tax
Income tax	Production tax

- b) Critical awareness, Active participation, Concern over the society, Concern over the nature, Condsiator

IV List is born solely and management is easy. Ability to buildup recutvansies with consumers.
 Ability of taking decisions quickly. How loyal interferences (2 marks)

- b) 1. Ability to prevent dividing of ownership
 2. Minimum gap between ownership and management
 3. Law legal requirement
 4. Speedy decision mewing
 5. Soaring profit with a minimum humor of people (2 marks)

03.I

Public limited company	Co-operative
1. Price of shore is not specific	Price of a share is Rs. 100/-
2. Ownership can be transfixed	It cannot be transferred
3. One vote is received for per share	Only one vote is given for any number of shares
4. Registered in company's registrar	Registered in department of co-operative development

- b) 1 Control monopoly 2. Maintaining non profitable but needed by public
 3. To maintain large scale projects 4. To minimize waste (2 marks)

II. a) Give marks for an a definition which sage that the social issues are solved though this

- b) To change according to the changes of the world
 To face competitor successfully
 To uplift living standards
 To use changing technology

III Step 01 - idea of creating the pair of sandals Step 02 – Preparing a business project
 Step 03 – Resource / fund raising Step 04 - Starting and carrying on business.

(4 marks)

- IV a) Common acceptance , Portability, Eassy identification , Not changing value frequently ,
 Difficulty of imitating (2 marks)
 b) Order cheque - Term "Or bearer" is cut off and the payment can be collected only by payee or his matinee
 Bearar Cheque – Bearer cheque can be transforms without endorsement. The term or bearer is not cut off
 (2marks)

V a) The interest charged by CBSL from commercial sanks which has short term fund requirements.
 (1 mark)

When CBSL decreases bank interest rate commercial bakes also decreases their inner interest on loans vice
 verge (2 makrs)

- b) Treasury bills – Financial tool issued by CBSL to public fulfill government short term fund requirements
 (1 mark)

IV Feed forward control, Concurrent control, Feed back control (4 marks)

V a) All the affairs committed to convert the imputes into outputs in the process of production are considered as operational affairs and managerial affairs in connection with that is called as operation management.

b) Quality control, Stock control , Cast control, Machinery control, Activity control(2 marks 1/2 for each)

06.

Input	Transformation process	Output
Land Labour Capital Enterprenrship Knowledge Information Time	Producing by acquiring resources and using technology available	Goods & services with light quality

Give two marks if an example is also taken are captained as above,

II a) Planning of work centers materials, machines, equipment and supporting services in order to rate an efficient process of production (2 marks)

b) Enhancing of efficient in using materials and machines ability to get the maximum use of the space available ability to minimize the cost of using materials minimizing accidenrs (2 marks)

III a) Re order level = Maximum consumption to maximum re order time
= 120 x 30 = 3600// (1 mark)

Minimum stoch levels = Re order level (Average consumption average re order time)
= 3600 – (100 x 25)
= 1100 units// (1 mark)

b) The ratio of the relationship between inputs and out puts of an organization is town as productivity (1 mark)

IV a) marketing is an organizational function and set of process for creating, communicating and delivering value to customers and for managing customer relationships in way that sent it the organization and its stake holders. (2 marks)

b) Production concept , Product concept , Selling Concept, Marketing concept, Social marketing concept , Customer Concept, Holliston marketing (2 marks)

V a) Market Segmentation
Dividing total market with different features into sub markets with similar features is called as market segmentation (2 marks)

Basis ,

- | | |
|-----------------------|-----------------------|
| 1. Geographical bage | 2. Demographical Bage |
| 3. Psychological bage | 4 Behavioral base |

b) Product, price, place, promotion , people, processes physical environment (2 marks)

07.I a) Price make the amount charged for a gave or a service (2 marks for a suitable answer)

b) Cost base prizing - 1. Cost plus return prizing 2. Target return prizing
Demand Base prizing - 1. Value prizing 2. Perceived value prizing (1 mark)

Packaging - The function of designing and producing a package or a container for a particular product is known as packaging

Package - The cover or container of a product (1 mark)

II - Nature of the product - Uses of the package to product

- Technological eligibility - Features of the package
- Environment friendliness (2 marks)

III a) Informing , Reminding , Tempting , Encouraging, Ensuring (2 marks)

Give Z marks for two explanations of the above

- b) A key ingredient in marketing comparing ; consists of a collection of incentive tools, mostly short term, designed to stimulate quicker or greater purchase of particular products or services by consumers or the trader (1 mark)

Sales promotion -

1. Consumer promotion 2. Trade promotion 3. Traded employee promotion (1 mark)

IV a) Mainlining value of assets, Manimining profit, Mainlining value per share (2 marks)

- b) Investment decisions - Decisions regarding investing in fined and current assets.

Financial decisions - Decisions of how to obtain money to invest in fined and current assets (2 mark)

V a) Ability to move towards an efficient and effective investment

Ability identify future fund requirements early.

Ability to compare with real transactions

- b) Short term fond requirements – Give 1 mark for a suitable answer

Long term fund requirement - Give 1 mark for a suitable answer

08.I a) Amount of funs requires , Time period, Cost, Nature of business, Changes to the capital stuntmen (2 marks)

- b) It shows the ability of a business to cave its short term fund requirements.

Eg : Current ratio , Quick ratio (2 marks)

II a) The ratio in between investment and return on investment.

Eg : stock turner ratio , Debtor turnorer ratio (2 marks)

- b) Decisions on capital investment. Eg. – Business development decisions

Business modernization decisions (1 mark)

Matters conserved - 1. Return on investment 2. Risk 3. Cost

4. Investment policy of the organization

III The situation where financial assets are sold and purchased by suppliers and demanders of fund.

Sub market, - Internal foreign exchange market - Government security market

IV.a) Live resource

Ability to think and react

Ability to control all other resources

Ability to train (2 marks)

- b) Inability to recruit outside people

Inability to recruit new ideas and new proposals

Inability to obtain skillful gounger generation

Difficulty in changing the settings of business. (2 marks)

V. a) The process of determining the future employee requirements and mohing decisions regarding the activities to be implementer to fulfill those requirements in order to achieve the goals and objectives of an establishment. (1 mark)

- b) 1. Demand for the product

2. Objective of the business

3. Future detriments

4. Promotions

5. Transfers

(2 marks for 6 matters)