



Second Term Test - Grade 13 - 2019

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. "Machineries, Decision on the combination of resources the period of time when machineries are used, sun light" when these factors of production are given in the correct order.
- | | |
|--|--------------------------------------|
| 1. Capital, labour, time, land | 2. Capital, labour, capital , land |
| 3. Capital, entrepreneurship, time, land | 4. Land , capital, information, land |
5. Capital, entrepreneurship, information, land (.....)
02. Which one of following cannot be considered as an input of a business.
- | | | |
|---------------|---------------------|----------------|
| 1. Time | 2. Knowledge | 3. Information |
| 4. Operations | 5. Entrepreneurship | (.....) |
03. The party which is interested on the business in order to know about the success and failure of new business way is,
- | | | |
|--------------|--------------|-----------|
| 1. Managers | 2. Employees | 3. Owners |
| 4. Creditors | 5. Suppliers | (.....) |
04. Which one of following is not a business social responsibility towards society.
- | | |
|--------------------------------|--|
| 1. Contributing to employment. | 2. Waste management. |
| 3. Public welfare services. | 4. Acting in an environment friendly manner. |
| 5. Vocational safety. | (.....) |
05. Which one of followings is not considered in preparing a business code of ethics.
- | | |
|----------------------------------|-------------------------|
| 1. practicability | 2. Political preference |
| 3. About employees | 4. About competitors |
| 5. About organizational culture. | (.....) |

06. Following are the ways how government supports businesses and the government influences on businesses.

- A - Registering businesses
- B - Policy formulation
- C - Increasing goodwill
- D - Enacting rules and regulations
- E - Being a completion
- F - Contributing towards economic development
- G - Acceptance of government and public

What is the answer which denotes the government support for the businesses.

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

07. Following are some functions of Sri Lanka standard organization and the ways how they operate standards.

- A - Pre export inspection.
- B - Measurement standard services.
- C - Maintains SLS certified marking .
- D - Expanding consumer education.
- E - Sea food inspection prior to export.
- F - Operating ISO standards.
- G - Import inspection.

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

08. Which one of following does not relevant to partnerships.

- 1. Unlimited liability.
- 2. Not having continuous existence.
- 3. Having legal personality.
- 4. Not necessary to register essentially.
- 5. Mutual agency.

(.....)

09. Following are some types of businesses and the feature relevant to them.

Business organization	Features
1. Partnerships	A. Minimum number of members 10
2. Public limited companies	B. Issue shares to the public.
3. Private limited companies	C. Inability to connect with the share market.
4. Government corporations	D. Maximum number of members is 20
5. Co operatives	E. Starts by a special Act.

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

(.....)

10. 1. Defined in various names
 2. More than 51% is government capital.
 3. Limited liability.
 4. Related to central government businesses.

Above statements mansions about

- 1. Government companies.
- 2. Government Departments.
- 3. Incorporated companies.
- 4. Government corporations.
- 5. Partnerships.

(.....)

11. Which one of following is not an innovation.

- 1. Creating a new good which was not there before.
- 2. Presenting an existing product to the market.
- 3. Creating a new product to a prevailing concept.
- 4. Creating a new usage for an existing product.
- 5. Creating a new combination of existing concepts and factors.

(.....)

12. X and Y shows some projects which support small and medium scale business and the organisations which provide financial facility to them. Match those two columns and select the correct answer.

X	Y
1. Suwana	A. Asian Development Bank
2. Liya isura	B. National Development Trust Fund
3. Sahanya	C. Regional Development Banks
4. Govijana bank pilot project	D. JAIICA
5. Sanasa Credit Scheme	E. Trust fund and member fees of ministry of Agriculture.

1. 1D, 2C, 3A, 4E, 5B
2. 1D, 2A, 3C, 4B, 5E
3. 1B, 2C, 3A, 4B, 5E
4. 1E, 2B, 3C, 4A, 5D
5. National Savings Bank, State mortgage & Investment Bank, Deutsche Bank, Sampath Bank. (.....)

13. Following are functions of money and features of money.

- | | | |
|-----------------|-----------------------|---------------------------------|
| A. Divisibility | B. Medium of exchange | C. Security codes |
| D. Similarly | E. A measure of value | F. A medium of differed payment |

The answer which includes the features of money is,

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

14. Which one of following is not a contractual savings organisation.

- | | |
|---------------------------------------|----------------------------|
| 1. Government Employee provident fund | 2. Employee provident fund |
| 3. Special leasing companies | 4. Insurance companies |
5. Employee trust fund (.....)

15. Which one of following organisations engages in clearing cheques.

1. Central Bank of Sri Lanka.
2. Sri Lanka securities and exchange commission.
3. Central Depository system (pvt) Ltd.
4. Lanka clear (pvt) Ltd.
5. Not any one of above. (.....)

16. Which one of following is an non -insurable risk.

1. Risk of life.
2. Losses due to the inability of understanding future market.
3. Goods in transit.
4. Risk of not receiving credits from a debtor.
5. losses due to vehicle accidents. (.....)

17. Which one of following is not an insurance principle.

- | | | |
|------------------|---------------------|----------------|
| 1. Reimbursement | 2. Utmost good fait | 3. Subrogation |
| 4. Contribution | 5. Proximate cause | (.....) |

18. Transportation is the main element of economic and social development and globalization. It helps,
- A - For Market expansion B - To create social relations
 C - To increase employment D - To maintain business relations
 E - To supply raw materials on time F - To develop foreign trade
 G - To have employees on time
- What are the reasons for a businessman to consider transportations as important.
1. A,B,E,F 2. A,C,D,E 3. A,E,F,G 4. A,D,E,G 5. A,D,E,G (.....)
19. Following are features of retail trade and wholesale trade.
- A - Presenting various types of items to sell.
 B - Maintaining close contacts with customers.
 C - Giving trade discounts.
 D - Doing marketing promotions
 E - Mostly goods are sold on credit basis
 F - Doing researches on market.
 G - Transporting stock .
1. A,B,E,F 2. B,D,E,F 3. A,D,E,F 4. C,D,E,G 5. C,D,F,G (.....)
20. What is the document issued by an authorized organization confirming that the things needed to products of the exporting country.
1. Import entry 2. Letter of credit 3. Certificate of origin
 4. Export lisons 5. Bill of lading (.....)
21. The process of establishing expected goals and objectives of an organization along with the strategies to achieve those aims is called as.
1. Departmentalization 2. Organising 3. Management
 4. Planning 5. Controlling (.....)
- LII
22. When following A and B columns are matched correctly the answer is

A	B
1. Objectives	A. Establishing standards
2. Controlling	B. Motivations
3. Leading	C. Centralization
4. Planning	D. Measurability
5. Authority	E. Flexibility

1. 1A, 2B, 3C, 4D, 5E 2. 1A, 2C, 3D, 4E, 5B 3. 1B, 2D, 3C, 4A, 5E
 4. 1D, 2A, 3B, 4E, 5C 5. 1D, 2A, 3E, 4C, 5B (.....)
23. Select the thing which is not relevant to Product Engineering.
1. Deciding production process. 2. Deciding required machineries and plants
 3. Machine control 4. Deciding production schedule
 5. Deciding material quantity (.....)
24. Employees who engage in same level of work get to gather in order to discuss the issues they face and find solutions through discussions. The quality controlling method discussed above is,
1. quality standards 2. quality circles 3. zero defects
 4. quality assurance 5. quality control (.....)

25. Following are consumer characteristics that are used by marketers for market segmentation.
- A - Gender B - Income C - Size of family
D - Life style E - Personality F - Profession
- Select the answer which includes demographic factors from above,
1. ABCD 2. ABCE 3. ABEF 4. BCDE 5. ADEF (.....)

26. Following "X" column shows the marketing mix in marketers view and "Y" shows the marketing mix in customers view.

X	Y
A. Product	1. Convenience
B. Price	2. Communication
C. Promotion	3. Consumer needs
D. Place	4. Cost

select the group which combines both views in the correct way.

1. A2, B3, C4, D1 2. A3, B4, C2, D1 3. A1, B2, C3, D4
4. A2, B1, C3, D4 5. A3, B4, C1, D2 (.....)
27. Following are some methods used to maintain profitability and liquidity of a business organisation.
- A - Cost controlling B - Pricing C - Forecasting cash flows
D - Calculating earning rates E - Obtaining funds
- Select the answer which includes the methods affecting profitability directly.
1. EA 2. BD 3. ED 4. AE 5. CD (.....)
28. Financial decisions made to manage finance are of two types as financial decisions & investment decisions select the answer which includes financial decisions only.
1. Share capital, loan capital, dividends, decisions on expanding business.
2. Debtors, stock, decisions on payables.
3. Creditors, dividends, share capital, decisions on payable expenses.
4. Fixed deposits, Money, stock, decisions on debtors.
5. Decisions on creditors, share capital, money, payable expenses. (.....)
29. Fund raising of business can be classified as internal and external or direct or indirect. which one of following is a direct and internal method of fund raising.
1. Issuing debentures 2. Bank loans 3. Leasing
4. Retained profits 5. Share issue (.....)
30. Which one of following shows a peaceful protesting of employees in a situation like in their lunch break, by showing banners, notices etc
1. Work to rule 2. picketing 3. Sabotage
4. Token strike 5. strikes (.....)

• **Fill in the blanks of question 31 to 40.**

31. (a) Financial resources of a business are its environment factor and social and cultural environment is a part of environment.
(b) Business can be classified as and according to the size of the business.

42. Name 4 major parties to which business social responsibilities should be fulfilled.

1.
2.
3.
4.

43. What are the main parties involved in credit card transactions.

1.
2.
3.
4.

44. Name 4 types of liability insurances.

1.
2.
3.
4.

45. Name 4 matters that should be considered in selecting a suitable transportation method.

1.
2.
3.
4.

46. Name 4 services to the retailers from whole seller.

1.
2.
3.
4.

47. Name 4 elements in an organizational structure.

1.
2.
3.
4.

48. What are the main classification of advertising.

1.
2.
3.
4.

49. Name 4 sub markets of financial market.

1.
2.
3.
4.

50. What are the specific objectives of human resource management.

1.
2.
3.
4.



Provincial Department of Education - NWP

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Second Term Test - Grade 13 - 2019

Index No :

Business Studies II

Three Hours

Instructions,

Select minimum 2 questions from each part of part A and part B. Write answers for 5 questions all to gather.

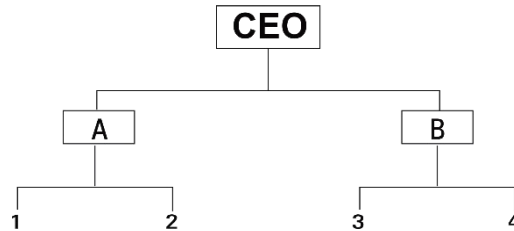
Part A

- 01. (i) (a) Explain profit motivation which is one of a feature of businesses. (2 marks)
(b) Name 4 matters that show the importance of a business being flexible in present context. (2 marks)
(ii) (a) Explain why business and commerce do not give a similar meaning. (2 marks)
(b) Give the sectorial contribution of agricultural, industrial and service sector of Sri Lanka according to the 2017 CBSL annual report. (2 marks)
(iii) Explain the importance of low cost labour in present world market. (2 marks)
(iv) (a) Name 2 research and development activities of a business and 2 information management activities. (2 marks)
(b) Name 4 reasons for the business owners to be interested in a business. (2 marks)
(v) (a) Explain how organisaitonal culture creates a neatness in the business. (2 marks)
(b) Explain how should be the businessmen's response to the factors which have been identified after SWOT analysis. (2 marks)
02. (i) Name 8 occasions where businesses act against business ethics. (4 marks)
(ii) (a) What is meant by tax ? Name 2 types of direct taxes. (2 marks)
(b) "The interest rate of commercial banks decreases" Explain how this situation affect the businesses. (2 marks)
(iii) (a) Consumer responsibilities are also available same as consumer rights. Name 4 consumer responsibilities. (2 marks)
(b) Name 4 tools used by CBSL in operating government monetary policy. (2 marks)
(iv) Janaka and Seanaka are government servants and also they are friends from their childhood. They decide to start a partnership as an extra income earning method. Another friend heard this news and advised not to start a partnership but to consider about a starting a limited company as the liability is limited.
(i) What is the type of business organization that can be started by them according to the instructions of that friend. (1 marks)
(ii) Name 4 features of that organisation. (1 marks)

- (b) Name 4 differences between the businesses Janaka and Senaka decided to start first and the business suggested by their friend. (2 marks)
- (v) (a) Name the type of limited company established under the company act o 07 of 2007 and which do not share dividends. (1 marks)
- (b) Name 4 features of the company you mentioned above. (3 marks)
03. (i) (a) Write the type of organization relevant to the following businesses.
- | | |
|--|---|
| Peoples Bank | Consumer Affairs Authority |
| National youth Council | Lanka Cement Corporation |
| Sri Lanka Insurance Corporation | Lanka Electricity (Pvt) Company ltd. |
| Mahaveli Development Authority | (2 marks) |
- (b) (i) What is the type of business organization which is under full government ownership. (1 marks)
- (ii) Write 2 features of business organization that you stated above and give 2 reasons for the failure of that type of government businesses. (1 marks)
- (ii) (a) Name the new trends of entrepreneurship and describe them. (2 marks)
- (b) Show the steps of entrepreneurial process in a chart. (2 marks)
- (iii) Explain the differences between entrepreneur and businessman. (4 marks)
- (iv) (a) Define real time gross settlement system and name the members of them. (2 marks)
- (b) What are the actions that can be taken by a bearer when the cheque is dishonored. (2 marks)
- (v) (a) What are the advantages that can be received by the economy by decreasing value of rupees. (2 marks)
- (b) Lionel sold his motor car at Rs. 10 million to Narayana. He gave Rs. 3 million to Lionel and he deposited that amount in a bank account. Narayana agreed to pay the due amount within 2 months. show the functions of money in relevant to above incident with examples. (2 marks)
04. (i) (a) Name 4 features of an insurable risk. (2 marks)
- (b) Insurance cannot avoid risk. Explain this. (2 marks)
- (ii) (a) Rasika had obtained a full insurance (comprehension cover) for his motor vehicle but insurance company has refused to compensate the loss occurred due to the flood. Can insurance company refuse to pay compensation related to this situation? Give reasons for your answer. (2 marks)
- (b) Explain how effective communication affect the development of the businesses. (2 marks)
- (iii) (a) Name 4 electronic communication methods that are used in Sri Lanka and describe 2 of them
- (b) Draw a chart showing distribution channel of a consumer good . (2 marks)
- iv) (a) Name 4factors which have affected international trade. (2 marks)
- (b) Show the procedure of electronic trade. (2 marks)
- V). Name and explain payment methods used in international trade . (4 marks)

Part - II

05. (i) (a) Management is important for achieving objectives of organizations, institutions and persons as well. Give reasons for the importance of management to a person. (2 marks)
- (b) Management concerns of Dynamic environment of businesses. " Explain dynamic business environment in short." (2 marks)
- (ii) (a) Businesses try to achieve their objectives through management. Define objectives in short and name the features of an objective. (2 marks)
- (b) Which type of organizational chart is given below. show another way of depicting it .



Criteria,

- i. quantity of product very low.
- ii. product varied.
- iii. Flexibility of the process very high. (2 marks)
- iii.. Gayan started a Furniture business on his own. The specialty in him is dedication, intelligence, confidence, determination and wit. The mutual relationship of the organizational members has been developed due to the considering of employee ideas when making decisions and they support organizational activities dedicatedly.
- (a) Which type of leadership style is discussed above. (2 marks)
- (b) List the features of a leader by studying above. (2 marks)
- (iv) (a) A student of Anuradhapura Central college has presented following details regarding his school. "There are functions like prize giving , colour awards and teachers are awarded for their performances. prefects who performed successfully are also awarded. Teachers discuss about the students who have violated disciplinary procedure and take necessary actions to correct them and consult them. Students who have obtained high result are published in the newspapers. The health of the students are concerned highly and special programmers are launched to prevent the spreading of non communicable diseases. Identify the tasks of the principal of that school and classify those tasks according to the various management roles. (4 marks)
- (v) (a) Explain production planning in short. (2 marks)
- (b) Following are some features of some production methods. Study those features and write the relevant production method with an example. write two advantages and two disadvantages of that method.

Criteria – Output volume -very low

Product – Varied

Flexibility of production process – very high

(2 marks)

- (b) Draw a chart which shows the distribution channel of consumer goods.

(2 marks)

- (iv) (a) Name 4 bases that have influenced international trade. (2 marks)
 (b) Name the procedure of electronic trade. (2 marks)
- (v) Name and explain 4 methods of doing payments in international trade. (4 marks)
06. (i) Find the number of break even units using following information.
 Number of sales units = 5000
 Fixed cost = 100000
 Direct Lost per unit
 Material - Rs. 35/-
 Labour - Rs 15/-
 Unit sales price - Rs. 100/- (4 marks)
- (ii) (a) What are the matters relating to the material purchasing process. (2 marks)
 (b) Write the materials and services separately which are used in production process. (2 marks)
- (iii) (a) Maintaining of an optimum stock level should be highly concerned by a production factory.
 Give your ideas regarding this. (2 marks)
 (b) i. Name the versions type of costs.
 ii. What is meant by economic order quantity. (2 marks)
- (iv) (a) Define "marketing" according to "Philip Kotler" (2 marks)
 (b) What are the advantages that can be obtained by an organization by maximizing consumer satisfaction. (2 marks)
- (v) (a) What are the main promotional tools used in promotion mix in marketing. (2 marks)
 (b) Price is the most important factor concerned by consumers in purchasing goods and services.
 What are the pricing objectives. (2 marks)
07. (i) (a) Marketing is important to consumer businessman and economy as well. Explain the importance of marketing to the economy. (2 marks)
 (b) Define "Place Mix" (2 marks)
- (ii) Define "Packaging" and name 4 factors to be concerned in packaging. (4 marks)
- (iii) (a) Name the variables of marketing mix. (2 marks)
 (b) Define Holistic marketing concept and name the main 4 sections concerned there. (2 marks)
- (iv) (a) Explain what is meant by finance Management. (2 marks)
 (b) Explain main functions and objectives of finance management. (2 marks)
- (v) (a) Fund raising methods of a business can be classified under various criteria show two of those classifications with examples. (2 marks)
 (b) What are the investment decisions. (2 marks)
08. (i) (a) Name advantages and limitations of Internal source of funds. (2 marks)
 (b) Explain what the liquidity ratio are. (2 marks)
- (ii) (a) What are the components of financial system. (2 marks)
 (b) What is meant by "settlement Day" of a share market. (2 marks)
- (iii) Name 4 objectives of Sri Lanka securities and Exchange commission. (2 marks)
- (iv) (a) Explain the specialties in human resource compared to other resources. (2 marks)
 (b) What is meant by Job designing and Job analysis. (4 marks)
- (v) (a) Name the factors concerned by a business organization in forecasting future human resource.
 (b) A team of employees in an organization are on strike for several days. name the actions that can be taken to solve that problem. (2 marks)

Second Term Test Grade 13 - 2019
Business Studies - Answer Part I

-
- | | | | | | |
|---------|---------|---------|---------|---------|---------|
| (01)- 3 | (06)- 5 | (11)- 2 | (16)- 2 | (21)- 4 | (26)- 2 |
| (02)- 4 | (07)- 3 | (12)- 1 | (17)- 1 | (22)- 4 | (27)- 2 |
| (03)- 1 | (08)- 3 | (13)- 2 | (18)- 4 | (23)- 3 | (28)- 3 |
| (04)- 5 | (09)- 3 | (14)- 3 | (19)- 5 | (24)- 2 | (29)- 4 |
| (05)- 2 | (10)- 4 | (15)- 4 | (20)- 3 | (25)- 3 | (30)- 4 |
-
31. a. Internal, Macro
b. Small and medium scale, large scale
32. a. for HR management , production
b. Reuse, Reduce
33. a. Internal price stability, External stability
b. Concurrent expenses, capital expenses
34. a. an agent
b. Principal
35. a. Department of census and statistics.
b. Ministry of Rural Industrial Development.
36. a. Effective communication
b. Intercom
37. a. Effectiveness
b. Efficiency
38. a. Processes
b. Technology
39. a. Quality, Features, Finishing
b. Public relations
40. a. Initial public offer, offer for sale, introduction.
b. Main board, Dirisavi Board
41. Teacher service Lawyers services (legal) Health services Audit service etc....
42. Owners Customers Society Employees
43. Credit card holder Credit card company Issued bank / Financial services.
Approved sales organisation
44. 1. Product liability Insurance 2. Public liability Insurance
3. Employee liability Insurance 4. Vocational liability Insurance
45. Nature of the product
Speed Cost Distance Capacity Safety
46. 1. Supplying goods as stocks. 2. Distributing products to the retail shops.
3. Supplying credit facilities. 4. Selecting, Packaging, Mixing.
47. Unity of command, chain of command. Span of control. Centralization or decentralization
Rules and regulations Procedures Co
48. Life style advertising Repeat advertising Descriptive advertising
49. Interbank call money market Treasury bill market
Commercial paper market Internal foreign exchange market
50. Increasing employee effectiveness. Controlling employee cost.
Creating employee development Fulfilling compliances relating to employee
Employee welfare, Employee retention
Employee motivation

Second Term Test - 2019 Grade 13 Answer Part II

- 1) i) a) The income exceeding the expenses of a business is called profit and the profit maximization is the main objective of a business. This can be seen as the factor which determines the existence of the business and development of it. Therefore most of the businesses operate with the aim of profit and some businesses act without profit motive. (2 marks)
- b) Transforming into dynamic political and economical situations.
 Adhering to technological development.
 To transfer the global situations.
 To use new management systems.
 To respond changing consumer interests.
 To adhere the changes of legal affairs. (2 marks)
- ii) a) Business = Industries + Commerce
 Commerce = Trade + Auxiliary services
 Therefore business and commerce does not give similar ideas.
- b) Agriculture - 6.9% Industrial - 26.8%
 Services - 56.8% Economic Development rate - 3.1% (2 marks)
- iii) It is essential to minimize cost of the business in order to face strong competition. Therefore businesses always search low cost labour. That is why most of the businesses invest in the countries like china.
- iv) a) Research & Development activities. Developing the product.
 Searching for low cost methods. Research on new creations / innovating.
 Market researches.
 Information Management Activities.
 * Collecting new information * Maintaining information systems
 * Updating information * Distributing information to the required parties. (2 marks)
- b) * Concerning about the safety of investments.
 * Searching whether the return is sufficient for the investment.
 * To know about the development of the business. (2 marks)
- v) a) If the culture creates inefficiency, creates limitations to achieve organizational objectives it creates weaknesses to business. (2 marks)
- b) The strengths and opportunities should be utilized for the success of business and weaknesses and threats should be prevented or minimized. (2 marks)
- 2) i) * Doing various financial frauds. * Stealing business secrets.
 * Providing misleading information to the external parties.
 * Suppressing employees skills. * Maintaining spy services.
 * Misusing trade marks and patent rights. * Misusing of company property and profits.
 * Polluting environment. (2 marks)
- ii) a) A payment that should be essentially made as advised by the governments or government authority.
 Eg : Income tax, corporate tax, withholding tax, capital gain tax (2 marks)
- b) When the interest rates of commercial banks decreases businessmen can obtain loans at low cost.
 Therefore the investments of the businesses increases and production also increases. (2 marks)
- iii) a) Critical awareness Active participation Concerning over the society
 Concerning over the environment Solidarity (2 marks)
- b) Interest rate Changing reserve requirements
 Open market operations Changing discount rates
 Deciding credit limits (2 marks)

- iv) a) i) Incorporated private limited companies. (1 marks)
 ii) Features :- Limited liability, Having legal personality, continuous existence, Registration is essential. (1 mark for 4 matters)

	Partnerships	Private limited companies
Capital	From partners	From share holders.
Management	Through partners	Through a director board selected by share holders.
Liability	Unlimited	Limited
Legal personality	There's no legal personality	Legal personality is there

(2 marks)

- v) a) Companies limited by guarantee.
 b) * Shares are not issued.
 * The amount to be given in dissolving the company should be guaranteed.
 * The company is started with common objectives.
 * Minimum members are 2 and maximum unlimited.
 * Profits is not shared.

3) i) a)

Government Corporations	Government Companies
* Consumer Affairs Authority.	Sri Lanka Insurance Corporation.
* Youth Council.	Lanka Electricity Company Limited.
* Mahaweli Authority.	Lanka Hospitals.

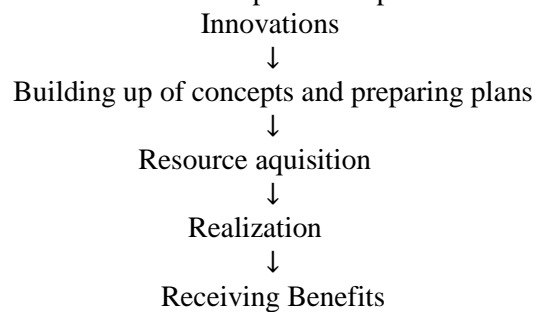
(2 marks)

b) i) Government Departments.

Features	Efficiencies
* Liability is unlimited	* Difficulty in making quick decisions.
* Government ownership	* Beurocratic control
* Central government parliament and ministry control	* Controlled by government authorities.
* Losses and profits are born by government	* Weak relationship among institute and employees.
* Control under circulars, Financial rules & regulations etc....	* Depending on the budget provisions.

(01 mark for 2 matters in each side)

- ii) a) Internal Entrepreneurship Global Entrepreneurship
 Social Entrepreneurship Green Entrepreneurship (2 marks)
 b)



iii)

Entrepreneur	Businessman
* An innovator	* Traditionalist
* Face Risk	* Protected
* Act courageously to face problems.	* Discourages in facing problem.

iv) a) Real time cross settlement system.

This is the newly introduced payment settlement system which is used to settle high valued transaction in a safety and convenient method.

B Parties involved in RTGS.

1. CBSL
2. Commercial Banks
3. Primary dealers of treasury bill and treasury bonds.
4. Employee provident fund.

(2 marks)

- b) 1. Acting in order to obtain money by informing the drawer in written.
2. Sending a letter of demand through a lawyer if the written message is also neglected .
3. If they are not responding to the letter of demand file a case for the issue. (2 marks for 2 matters)

v) a) 1. Export income can be increased by increasing export volume.

2. Decreasing import expenses by decreasing import volume.
3. Increasing production cost.
4. Increasing the cost of foreign raw materials and increasing price of foreign products.
5. Having a favorable balance of payment.

(2 marks)

b) 1. As a medium of exchange - selling the motor vehicle to Narayana.

2. A measure of value - Value of the vehicle is Rs. 10 million.
3. A store of value - depositing 3 million in the bank
4. A medium of differed payment - agreeing to pay the rest of money in 2 months by Narayana.

4) i) a) Ability to forecast the risk. Casualty Connectedness Rectifiability (2 marks)

b) Insurance cannot avoid or prevent risk but it can compensate the losses to some acceptable extend.

(2 marks)

ii) a) Insurance company can refuse to pay if the insurance policy has not been included the condition to cover the losses of flood and natural disasters. (2 marks)

- b) 1. Ability to make decisions on correct and sufficient information.
2. Ability to give instructions to operate the business.
3. Ability to share information among various departments.
4. Ability to share information with external parties.
5. Ability to Communicate with external parties.
6. Ability to give essential information regarding various benefits.

iii) a) Email, SMS, E mail, Voice chatting, Facebook, Internet, Intranet

(2 marks for explaining two of above)

b) Producer → Consumer

Producer → Retailer → Consumer

Producer → Whole saler → Retailer → Consumer

Producer → Agent → Whole saler → Retailer → Consumer

(2 marks)

iv) a) Disparity of the dispersion of the natural resources

Comparative advantage

Having some legal monopolistic situation regarding some products in some countries.

Promotion goods

Minimum trade barriers.

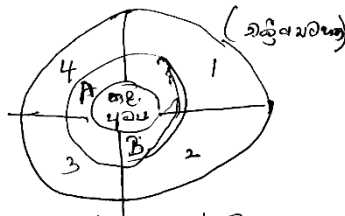
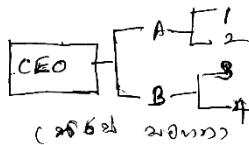
(2 marks)

- b) Contacting buyers and sellers through internet.
Organizing the transaction.
Activities of buying and selling.
Settlement of the payment. (2 marks)

- v) Letter of credit
By producing a LC by the importers bank assuring the exporters bank to pay relevant amount of money on behalf of the importer if he is unable to pay that.
Through electronic payment methods using credit cards, debit cards, pre paid cards etc. to settle payment.
(Give 4 marks to 4 explanations like above)

Part 2

- 5) i. a) To achieve objectives as one expects
To time management
To Control income and expenditure of persons.
To develop efficiency. (2 marks for 4 matters)
- b) Internal and external environment of an organization which change time to time.
- ii. a) Objectives are the aims to be fulfilled in a short period of time.
S - Specific M - Measurable A - Achievable
R - Realistic T - Timeliness (1 mark)
- b) Vertical Structure



(1 mark)

- iii) a) Democratic leader
b) Dedication, Intelligence, Confidence, Determination, Respecting others ideas. (3 marks)
- iv) 1. Figure head - Attending, prize giving as chief guest.
2. Leader - Evaluating teachers.
3. Disturbance Handler - Solving disciplinary issues.
4. Disseminator - Reporting to newspapers regarding highly performed excellent students.
5. Entrepreneur - Launching various projects to prevent communicable diseases. (4 marks)
- v) a) Preparing short term and long term schedules relating to production process. (2 marks)
b) Job production - Bridal dressing, Birthday Cakes

Favorable features	Unfavorable features
* Producing according the needs and wants of the customer.	* Increasing cost.
* Maintaining Consumer satisfaction at a higher level.	* Requirement of specific tools and instruments to production process.

(2 marks)

6) i) Units at BEP = $\frac{\text{Total Fixed cost}}{\text{Unit Contribution}}$

$$= \frac{100000}{50}$$

$$= \underline{\underline{2000 \text{ units}}}$$

(4 marks)

- ii) a) Informing the material requirement to the purchasing department.
 Finding a supplier Ordering Receiving goods Paying money. (2 marks)
- b) Materials - Raw materials, capital equipment's tools, fuel
 Services - Security service, Maintenance service, logistic service, water electricity. (2 marks)
- iii) a) Optimum stock means a stock which is not an excess or deficit. Maintaining an insufficient stock leads to various issues like inability to supply output on time, disturbing continuous smooth flow of production. etc...
- Excess stock also creates problems like increasing wastage, market failure etc (2 marks)
- b) i) Ordinary cost Holding cost (1 marks)
- ii) Number of units that could be ordered at a time as the total cost of stock should be minimized.
- iv) a) A social process which creates, presents and exchange & supply the things needed by groups and individuals to fulfill their needs and wants. (2 marks)

marks)

- b) 1. Increasing consumer loyalty.
 2. Decreasing the attraction of consumer to competitive products.
 3. Positive attitudes of the customer regarding the business and products.
 4. Increasing goodwill.
 5. Any other acceptable answer. (2 marks)
- v) a) Advertising, sales promotion, personal selling, public relations, direct marketing, events and experiences. (2 marks)
- b) Survival in the market. Maximizing current profits.
 Maximizing market share. Market skimming.
 Product quality leadership. (2 marks for 4 matters)

- 7) i) a) Product differentiation
 Expansion of products.
 Increasing employment
 Minimizing the disparity of income distributors
 paving way to the development of economic growth and develop (2 marks)
- b) All the activities in relevant to supply products in required time , required quantity in require place in order to maximize the satisfactory of consumer in the target market is included in place mix. (2 marks)
- ii) Packaging means the process of designing and creating an outside cover or container of products is called packaging. (2 marks)
- Being Environment friendlily
 Cost of the package
 Engineered test to see weather it fulfills general conditions.
 width, length, shape of the package.
- iii) a) Price, place, product, promotion (2 marks)
- b) The importance of acting all the variable in marketing mix with a one objective to achieve organizational objectives is specified here. (1 marks)
1. Relationship marketing. 2. Holistic marketing.
 3. Internal marketing. 4. performance marketing. (1 marks)
- iv) a) Acquiring required financial resources from suitable sources and investing them effectively in order to maximize owners wealth is called Financial Management" (2 marks)
- Maximizing owners business related wealth. (1 marks)
- v) a) 1. According to the source of funds.
 1. Internal sources → Retained profit depreciations.
 2. External sources - Bank loans Leasing Issuing shares

2. According to way of obtaining funds.

1. Direct sources –

Retained profits, Depreciations.

2. Indirect Sources -Leasing, Commercial papers, Bank OD

(2 marks)

b) utilizing the organizational funds in the business organization or outside assets is called investments. The decisions made on that is called investment decisions. (2 marks)

8) i) a) Advantages

1. Minimum Cost

2. Convenience to obtain.

Limitations

1. Inability to obtain a large quantity of fund.

2. Issues in working capital requirements.

(2 marks)

b) The ratios that shows the ability of facing short term financial liabilities.

(2 marks)

ii) a) Financial market, Financial institutions , tools financial infra structure, CBSL.

(2 marks)

b) A date when the transects of share market are settled.

(2 marks)

iii) 1. Creating and maintaining a market where securities can be safely transacted.

2. Protecting rights and relationships of investors

3. Operating a compensation system to protecting investors etc...

(2 marks)

iv) a) Live, ability of reacting, ability of controlling other resources , ability of training

(2marks)

Preparing duties and responsibilities of a work unit in order to achieve organizational goals effectively is job designing . Deciding the qualities and qualifications of the person to perform specific job is called job specification.

V) a)Demand, for the job , objective of the business ,production method , terminations, future projects etc...

b) Discussion with employee

Coming to an agreement

Creating a collective agreement

Sending to an ombudsman

Sending to industrial council

Sending to Department of Labor