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 இலங்கைப் பரீட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரīட்சைத் திணைக்களம் இலங்கைப் பரīட்சைத் 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 (සාමාන්‍ය පෙළ) විභාගය, 2014 දෙසැම්බර්  
 கல்விப் பொதுத் தராதரப் பத்திர (சாதாரண தர)ப் பரீட்சை, 2014 டிசெம்பர்  
 General Certificate of Education (Ord. Level) Examination, December 2014

ව්‍යවසායකත්ව අධ්‍යයනය I, II  
 முயற்சியாண்மைக் கற்கை I, II  
 Entrepreneurship Studies I, II

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 மூன்று மணித்தியாலம்  
 Three hours

### Entrepreneurship Studies I

**Note:** (i) Answer *all* questions.

(ii) In each of the questions from 1 to 40, pick one of the alternatives (1), (2), (3), (4) which you consider as *correct or most appropriate*.

(iii) Mark a cross (X) on the number corresponding to your choice in the answer sheet provided.

(iv) Further instructions are given on the back of the answer sheet. Follow them carefully.

- Objective of entrepreneurship is
  - conducting a business.
  - earning personal profits.
  - protecting the environment.
  - doing good for both self and the society.
- Business related behaviour of three individuals is given below.
 

Kamal - Lead the business using the resources effectively.  
 Supul - Lead the business in order to maximize short term profits.  
 Amal - Lead the business towards success with a correct vision while doing new creations.

The most suitable character to describe entrepreneurship is

  - Amal.
  - Kamal.
  - Supul.
  - all three of them.
- Out of the following, select the answer that only includes the characteristics of entrepreneurship.
  - Flexibility, Motivation, Education
  - Creativity, Education, Leadership
  - Optimism, Leadership, Traditionality
  - Creativity, Optimism, Leadership
- When accepting risks, an entrepreneur should
  - accept all risks.
  - accept risks which he/she prefers.
  - accept risks if the tendency to be successful is high.
  - not accept all risks.
- Success or the failure of a business decision can be known as
  - an uncertainty.
  - a threat.
  - a certainty.
  - a challenge.
- When the population of a country increases, the market too will grow in order to fulfil their needs and wants. To understand this trend, an entrepreneur should study
  - scientific and technological environment.
  - political and legal environment.
  - economic and community environment.
  - social and cultural environment.
- The time spent by an entrepreneur in order to make his business a success is considered as a
  - reward.
  - strength.
  - threat.
  - cost.
- Getting the leadership in the society is a reward of entrepreneurship. This is a
  - financial benefit.
  - social benefit.
  - individual benefit.
  - political benefit.
- A reason for the emergence of social entrepreneurs is
  - concern for others.
  - increase in social disasters.
  - environmental pollution.
  - achievement of political objectives.
- Adequate rewards for the investment, not violating the law and attractiveness are characteristics of
  - a good business opportunity.
  - a good business decision.
  - an effective demand.
  - a good transaction.

11. Services given to entrepreneurs relating to giving knowledge regarding production, cost minimization, environmental protection and waste management are known as  
 (1) advisory services. (2) marketing services.  
 (3) investment and management services. (4) technological services.
12. The most appropriate communication method an entrepreneur can use to provide information regarding his/her products to an overseas buyer is  
 (1) letter. (2) e-mail. (3) telephone. (4) discussions.
13. Status and level of education are factors considered when studying the human resource used for business activities. These factors are  
 (1) demographic factors. (2) economic factors.  
 (3) social factors. (4) psychological factors.
14. The cash requirement of a business to pay the employee salaries is known as  
 (1) working capital. (2) fixed capital.  
 (3) opening capital. (4) operational capital.
15. The facility provided to draw cheques exceeding the amount of cash available in the current account is known as a  
 (1) long term bank loan. (2) short term bank loan.  
 (3) trade loan. (4) bank overdraft.
16. Environment that helps to protect consumers is known as  
 (1) natural and geographical environment. (2) economic and community environment.  
 (3) political and legal environment. (4) social and cultural environment.
17. Segregating the market using similar characteristics is known as  
 (1) market survey. (2) market segmentation.  
 (3) targeting the market. (4) targeting the consumers.
18. Among the factors which affect consumer behaviour, position, economic condition and life style are important. These factors can be considered as  
 (1) social factors. (2) personal factors.  
 (3) psychological factors. (4) cultural factors.
19. A requirement that should be fulfilled if business activities are to be done fast and correctly is  
 (1) having a large number of consumers.  
 (2) having a good database within the organization.  
 (3) having less number of employees within the organization.  
 (4) having a properly organized communication system.
20. The sender should send a message using the correct media and the receiver too should get the message by paying due attention. Communication element that will be violated if the above condition is **not** met is  
 (1) confidentiality (2) cost. (3) accuracy. (4) speed.
21. For the development of women entrepreneurship being a woman is  
 (1) a weakness. (2) a strength. (3) an opportunity. (4) a challenge.
22. Which of the following is **not** an intermediary that helps product distribution?  
 (1) Producer (2) Retailer (3) Wholesaler (4) Agent
23. The method which does **not** transfer the ownership of the product until the final instalment is paid is known as  
 (1) operating leasing. (2) hire purchasing (3) differed payments. (4) financial leasing.
24. Making the environment to support the initiation and continuation of business activities is known as  
 (1) infrastructure facilities. (2) marketing facilities.  
 (3) advisory facilities. (4) technical facilities.
25. For an automobile manufacturer, a supplier of paints is a  
 (1) forward business. (2) backward business.  
 (3) substitute business. (4) complementary business.
26. People's bank is a  
 (1) licensed special bank. (2) licensed commercial bank.  
 (3) registered finance company. (4) registered leasing company.

27. Select the correct answer that includes the elements of a balance sheet through which the financial position of a business is revealed.
- (1) Non current assets, equity, bank loan.
  - (2) Non current assets, current assets, current liabilities.
  - (3) Equity, liabilities, non current assets.
  - (4) Assets, equity, liabilities.
28. The ability of an entrepreneur to see the future is known as a
- (1) technical skill.
  - (2) human relationship skill.
  - (3) conceptual skill.
  - (4) management skill.
29. By providing resources to the business, the entrepreneur performs the role of
- (1) a producer.
  - (2) a leader.
  - (3) a manager.
  - (4) an owner.
30. The record prepared including the business objectives and goals and how they are to be achieved is known as
- (1) business plan.
  - (2) financial plan.
  - (3) budget plan.
  - (4) production plan.
31. In a business, the prime entry book where the goods purchased on credit to resell is recorded is
- (1) sales day book.
  - (2) purchases day book.
  - (3) returns inward book
  - (4) returns outward book.
32. For a business, trade creditors are
- (1) a current asset.
  - (2) a current liability.
  - (3) a non current asset.
  - (4) a non current liability.
33. When considering entrepreneurship, minimizing urbanization can be considered as
- (1) an individual level benefit.
  - (2) a national level benefit.
  - (3) a regional level benefit.
  - (4) a business level benefit.
34. Basic two variables included in the basic accounting equation are
- (1) business transactions and accounting records.
  - (2) assets and accounting records.
  - (3) assets and amount owing to internal and external parties.
  - (4) assets and business transactions.
35. Owner starting the business investing Rs. 250 000 is recorded in the basic accounting equation as:
- |                             |             |                         |             |
|-----------------------------|-------------|-------------------------|-------------|
| (1) Increase in Assets      | Rs. 250 000 | Increase in Liabilities | Rs. 250 000 |
| (2) Increase in Assets      | Rs. 250 000 | Increase in Equity      | Rs. 250 000 |
| (3) Decrease in Liabilities | Rs. 250 000 | Decrease in Assets      | Rs. 250 000 |
| (4) Increase in Assets      | Rs. 250 000 | Decrease in Equity      | Rs. 250 000 |
- Read the following case and answer questions 36 - 40.
- Pasan has registered a business under the name of 'Wing'. He manufactures hot water flasks and directly sells them to the market. Further, he personally provides the information required by the consumers. Since the product is manufactured in a way that warmth remains for a longer period, there is a high demand for his product in the market. He considers the nature of the product, cost and aims of marketing when deciding the price of his product. One of his objectives is to calculate the profit or loss of his business as at 31<sup>st</sup> of December every year.
36. Pasan, producing goods and selling them directly is known as
- (1) private selling.
  - (2) direct selling.
  - (3) sales promotion.
  - (4) product selling.
37. Producing a hot water flask in a way that warmth remains for a longer period and presenting it to the market is known as
- (1) core product.
  - (2) actual product.
  - (3) augmented product.
  - (4) creative product.
38. Registering a business is important because it
- (1) is a legal requirement.
  - (2) helps to collect a large amount of capital.
  - (3) gives a legal status.
  - (4) makes controlling easy.
39. Nature of the product, cost, aims of marketing are important factors which are considered when deciding the price of a product that is offered to the market. These factors are included under
- (1) internal factors.
  - (2) external factors.
  - (3) cost factors.
  - (4) production factors.
40. The financial statement prepared to calculate the profit or the loss of an accounting period is known as
- (1) cash flow statement.
  - (2) balance sheet.
  - (3) cash book.
  - (4) income statement.

සියලු ම හිමිකම් ඇවිරිණි / முழுப் பதிப்புரிமையுடையது / All Rights Reserved]

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இலங்கைப் பரீட்சைத் திணைக்களம்  
Department of Examinations, Sri Lanka

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අධ්‍යයන පොදු සහතික පත්‍ර (සාමාන්‍ය පෙළ) විභාගය, 2014 දෙසැම්බර්  
கல்விப் பொதுத் தராதரப் பத்திர (சாதாரண தர)ப் பரீட்சை, 2014 டிசெம்பர்  
General Certificate of Education (Ord. Level) Examination, December 2014

ව්‍යවසායකත්ව අධ්‍යයනය I, II  
முயற்சிவாண்மைக் கற்கை I, II  
**Entrepreneurship Studies I, II**

### Entrepreneurship Studies II

\* Answer five questions including question No. 1.

1. Read the following case carefully and answer the questions (i) to (x).

Chathuranga and Supul are good friends who studied in the same school. Though they didn't have substantial assets, they were very rich in knowledge, skills and attitudes they got from the school. Only intention of both of them was to do something good for themselves as well as to the society. Therefore they decided to start their own business together. A part of the discussion they had one day is given below.

Chathuranga : The reason for most of the businesses to fail is starting the businesses without getting proper advice. Before starting a business, the type of the business to be started and whether there is a feasibility for that business should be considered.

Supul : Yes, that is true. It is not suitable to implement an idea just because it is generated in our minds. The idea should be clearly investigated. That is feasibility study.

Chathuranga : Yes, you are correct. Apart from that, we should assess the resources. Here, we should think of our self-reliance, the required human resources and capital resources.

Supul : Self-reliance means the commitment towards the business activities, the ability to bear risks, the ability to invest money, knowledge and experience and the business history of the family.

Chathuranga : Then, though we don't have a family business history and money, our business will succeed definitely, because our self-reliance is very high when compared to other factors.

- What is the main purpose of starting a business by an entrepreneur?
  - What is the reason for most of the businesses to fail as given in the above case?
  - According to the above case what are the factors that should be considered before starting a business?
  - Mention **two** factors that should be considered when assessing the self-reliance.
  - What is the type of the business, Chathuranga and Supul are expecting to start? State **two** benefits of it.
- As agreed, Chathuranga and Supul started their business on 01.04.2014. Transactions that occurred during the month of April are as follows:

	Rs.
April 01 : Chathuranga and Supul invested money to start the business	400 000
April 01 : Obtained a bank loan	200 000
April 05 : Obtained goods for sale from Kumudu	100 000
April 05 : Carriage inwards	3 000
April 10 : Sales	40 000
April 25 : Paid for electricity	5 000
April 28 : Paid telephone bill	4 000

- How much is the initial capital of the above business?
- According to the above transactions, give an example each for assets and liabilities of the business.
- State an example each for cash inflows and cash out flows of this business.
- Mention **two** prime books that are required to record the above transactions.
- Record the given transactions in the cash book and state the cash balance of the business as at 30.04.2014. (2 × 10 = 20 marks)

[ see page five

2. (i) State **two** elements that are included in the concept of entrepreneurship.  
 (ii) State **two** national level benefits gained through entrepreneurship.  
 (iii) State **four** factors that are important to an entrepreneur in order to successfully achieve the business objectives and goals.  
 (iv) State **two** barriers to the development of entrepreneurship from the external environment.  
 (v) A trend can be seen where people are engaged in entrepreneurship not expecting financial benefits. State **four** benefits expected by an entrepreneur through such an entrepreneurship. (02 × 5 = 10 marks)
3. (i) Mention **two** factors each for skills and personality characteristics that are required for the success of entrepreneurship.  
 (ii) State **two** steps that can be taken when making government policies for the development of entrepreneurship of a country.  
 (iii) Social responsibility of an entrepreneur is two fold as the responsibility towards the society and responsibility towards the customers. State **two** ways of fulfilling the responsibility towards the customers.  
 (iv) Mention **two** institutions with which an entrepreneur should keep relationships.  
 (v) Mention **two** methods each through which cost can be increased and cost can be reduced in a business. (02 × 5 = 10 marks)
4. (i) State **two** characteristics of an effective communication method.  
 (ii) State an example each for oral, written and symbolic communication used by a business.  
 (iii) Explain the forward relationship and backward relationship of a business using an example.  
 (iv) State **four** factors that should be considered when locating a business.  
 (v) Mention **two** examples for the entrepreneurial societies established by the business community voluntarily for the development of business activities. (02 × 5 = 10 marks)
5. (i) State **two** criteria that are used to evaluate business opportunities.  
 (ii) State **two** psychological factors that affect consumer behaviour.  
 (iii) State **two** factors that can be used by an entrepreneur to segment the market.  
 (iv) Mention **two** consequences of using intermediaries for the distribution of goods.  
 (v) Mention **two** advertising media frequently used by the entrepreneurs in the competitive business world. (02 × 5 = 10 marks)
6. (i) State **four** benefits that can be obtained by an entrepreneur through getting advisory services.  
 (ii) State **four** criteria that should be considered when selecting a suitable type of a business organization.  
 (iii) Mention **two** benefits that can be obtained by a business through the preparation of a business plan.  
 (iv) Explain a 'transaction' in your own words.  
 (v) State an item each for assets, equity and liabilities that are included in the balance sheet. (02 × 5 = 10 marks)
7. (i) Transactions of **Pinthu's business** for the month of January 2014 are given below.

	Rs.
Sales	50 000
Purchased materials	30 000
Invested capital	85 000
Sales expenses	5 000
Obtained a bank loan	25 000
Paid electricity bill	1 000
Other income	5 000
Paid salaries	10 000

**Required:** The cash flow statement of Pinthu's business for the month of January 2014. (05 marks)

- (ii) Transactions of **Sandakelum business** for the month ended 31.03.2014 are as follows:

	Rs.
Advertising expenses	2 000
Electricity expenses	4 000
Transportation expenses	5 500
Other income	6 000
Salaries of employees	9 000
Bad debt	1 500
Investment income	8 000

\* The gross profit generated through trade activities in the month of March is estimated as Rs. 50 800.

**Required:** The income statement of Sandakelum business for the month ended 31.03.2014 (05 marks)  
 (Total 10 marks)