



**General Certificate of Education (A/L)**  
**Series of Supplementary Seminars - 2013**  
**Revision Question Paper**

**Business Studies - I**

Time:- Two hours

*Preparation by the section of Commerce and Business studies in the Ministry of Education*

**Instructions-**

- *Answer all the Questions*
- *Select the accurate answer for the questions from number 1 – 30 & state the relevant number on the dotted lines given in front of the question.*
- *Write short answers for the questions from number 31 to 40*
- *Write specific answers for the questions from number 41 to 50*

**01.** The answer which contains only the characteristics of wants

1. Common, limited, can be created
2. Unlimited, common generated with birth
3. Primary, personalized, varies
4. Varies, unlimited, can be created
5. Limited, secondary, personalized (.....)

**02.** Business is basically divided as

1. Trade & auxiliary services
2. Industries & commerce
3. Industries & trade
4. Trade & commerce
5. Industries & auxiliary services

**03.** When the following business environments are match with the environment variables, the correct answer be

	Business environments		variables
A	Micro	1.	Economic, Global, Technological
B	Macro	2.	Owners, Employees, Managers
C	Task	3.	Customers, Competitors, suppliers
		4.	Owners, Competitors, Organizational culture
		5.	Organizational culture, Tecnological, Organizational structure
1.	A – 2, B – 1, C – 3		
2.	A – 4, B – 1, C – 2		
3.	A – 2, B – 3, C – 1		
4.	A – 5, B – 1, C – 3		
5.	A – 3, B – 4, C – 5		(.....)

- 04.** Sridara Company Ltd. donated 25 beds for patients in a hospital located in a remote area while they also organized a medical clinic for the employees in one's firm. The company has fulfilled
1. Social responsibilities relevant to the society & environment
  2. Social responsibilities relevant to the investors & employees
  3. Social responsibilities relevant to the investors & environment
  4. Social responsibilities relevant to the society & employees
  5. Social responsibilities relevant to the environment & employees (.....)

- 05.** When the international standards given in the X column is matched with the fields covered by them given in Y column, the correct answer would be

X	Y
A) ISO 9001	1. Management systems for organizational health and safety
B) ISO 14001	2. Safety food management systems
C) ISO 22000	3. Environmental management systems
D) OHSAS 18001	4. Organizational quality management systems
1. A – 1, B – 2, C – 3, D – 4	
2. A – 3, B – 4, C – 2, D – 1	
3. A – 2, B – 3, C – 4, D – 1	
4. A – 4, B – 3, C – 1, D – 2	
5. A – 4, B – 3, C – 2, D – 1 (.....)	

- 06.** Which of the following factors is relevant with the monetary policy

1. Increase the income tax rate
2. Reduce the government current expenditure
3. Increase the interest rate
4. Reduce the deficit in the government budget
5. Increase the government capital expenditure (.....)

- 07.** The table given below indicates 3 types of business organizations & characteristics relevant to them.

Type of business organization	Liability	Perpetual Succession	Legal Personality
Sole Proprietorship	A	No perpetual succession	D
Cooperative	Limited	C	Have legal Personality
Public limited companies	B	Have perpetual succession	E

The answer that contains characteristics which is relevant to A , B, C, D, E would be

- 1) A – Limited, B – Unlimited, C – Have perpetual succession, D – No legal personality E- Have legal personality
- 2) A – Unlimited, B – Limited, C – Have perpetual succession, D – Not a legal entity,  
E- Is a legal entity
- 3) A – Unlimited, B – Limited, C – Do not have perpetual succession, D – Not a legal entity  
E- Is a legal entity
- 4) A – Unlimited, B – Limited, C – Have perpetual succession, D – Is a legal entity,  
E- Is a legal entity
- 5) A – Limited, B – Unlimited, C – No perpetual succession, D – Is a legal entity,  
E- Not a legal entity (.....)

- 08.** The answer which contains the three main type of companies which can be incorporated under the company act no.07 Of 2007 would be
1. Public limited companies/ Private limited companies/ companies limited by guarantee
  2. Private limited companies/ Offshore companies/ companies limited by guarantee
  3. Limited companies/ Offshore companies/ companies limited by guarantee
  4. Companies limited by guarantee/ Unlimited companies/ Overseas companies
  5. Limited companies/ Unlimited companies/ companies limited by guarantee (.....)
- 09.** Here are some information given about a few businessmen.
- (A) Nimal is engaged in buying & selling shares in the share market
- (B) Nimali is carrying out the business she is inherited from her father by adding several types of new services to it
- (C) Amali produces a type of yoghurt which is suitable for diabetic patients
- (D) Amil imports & sell sports equipment
- (E) Piyal maintains a service station using a modern technological process discovered by him
- Which of the above business men can be treated as entrepreneurs
1. B, C, & E
  2. A, B, & C
  3. B, D, & E
  4. C, D, & E
  5. A, C, &E (.....)
- 10.** Which set of answer includes items which falls under near money
- 1) Time deposits, Treasury Bills, Commercial papers
  - 2) Time deposits, Demand deposits, Saving deposits
  - 3) Demand deposits, Commercial papers ,Savings deposits
  - 4) Treasury bills, Coins & notes, Commercial papers
  - 5) Coins & notes, Current accounts, Savings deposits (.....)
- 11.** When the following financial firms are matched with the functions given the correct answer would be
- | <b>Financial firms</b>        | <b>Functions</b>                                                                                   |
|-------------------------------|----------------------------------------------------------------------------------------------------|
| A) Licensed finance companies | 1. Maintain savings & fixed deposits, supply mid term & long term loans                            |
| B) Licensed commercial banks  | 2. Provide investment & management advice, prepare project reports, provided consultation services |
| C) Merchant banks             | 3. Maintain current deposits, Engage in foreign exchange transactions, Issue bank drafts           |
| D) Licensed specialized banks | 4. Hire purchasing facilities, Leasing facilities, Sale of real estates                            |
- 1) A – 2, B – 4, C – 3, D – 1
  - 2) A – 3, B – 1, C – 4, D – 2
  - 3) A – 1, B – 2, C – 3, D – 4
  - 4) A – 4, B – 3, C – 2, D – 1
  - 5) A – 4, B – 1, C – 3, D – 2 (.....)

12. Which set of answer indicates the set of numbers in order, found in the magnetic ink character recognition column
- 1) Account number/ cheque number/ Bank code/ Bank branch code
  - 2) Bank code/ Bank branch code/ Cheque number/ Account number
  - 3) Cheque number/ Bank code/ Bank branch code/ Account number
  - 4) Account number/ Bank code/ Bank branch code/ Cheque number
  - 5) Cheque number/ Bank branch code/ Account number/ Bank code (.....)

13. Here are some risks which would be encountered by a businessman.

- A) Harm caused to customers by poisoning of food stuff
- B) Damages by leakage of electricity
- C) Damages to motor vehicles
- D) Losses occurred while transporting goods on land

Which answer includes insurance policies in order, that can be obtained to cover the above mentioned risks

- 1) Goods on transit/ Fire insurance/ Third party insurance/public liability insurance
- 2) Public liability insurance/ Fire insurance/ comprehensive insurance/ Goods on transit insurance
- 3) Fire insurance/ comprehensive insurance/ Theft insurance/ Goods on transit insurance
- 4) Public liability insurance/ comprehensive insurance/ Theft insurance/ Goods on transit insurance
- 5) Public liability insurance/ Fire insurance/ Goods on transit insurance/ Theft insurance (.....)

14. When the following elements of communication is matched with the descriptions given, the accurate answer would be

- | X             | Y                                                              |
|---------------|----------------------------------------------------------------|
| A – Encoding  | 1. Reation of the message receiver                             |
| B - Decoding  | 2. Input the message to a medium                               |
| C – Response  | 3. The answer received by the message sender from the receiver |
| D – Feed book | 4. Receiving the message across mediums                        |
- 1) A – 1, B – 2, C – 3, D – 4
  - 2) A – 2, B – 3, C – 4, D – 1
  - 3) A – 3, B – 1, C – 4, D – 2
  - 4) A – 4, B – 3, C – 1, D – 2
  - 5) A – 2, B – 4, C – 1, D – 3 (.....)

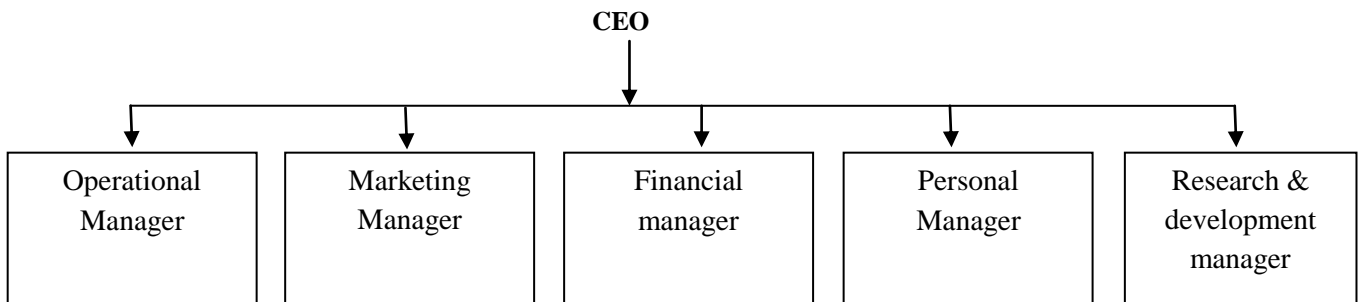
15. When the following documents used in international trade is matched with the importance of these documents, the correct answer would be

- | Documents                | Importance                                                              |
|--------------------------|-------------------------------------------------------------------------|
| A- Letter of indemnity   | 1. Confirms that the value of export goods will be paid to the exporter |
| B- Sanitary certificate  | 2. Useful to gain preferential custom duty                              |
| C- Certificate of origin | 3. Request for a clean bill of lading instead of a foul bill of lading  |
| D- Letter of credit      | 4. Confirms the suitability of consumption for certain agro products    |
- 1) A – 3, B – 4, C – 2, D – 1
  - 2) A – 2, B – 3, C – 1, D – 4
  - 3) A – 3, B – 4, C – 1, D – 2
  - 4) A – 3, B – 1, C – 2, D – 4
  - 5) A – 1, B – 2, C – 3, D – 4 (.....)

16. Which statement defines “Management” accurately

- 1) The process of establishing aims & objectives expected to be achieved & the strategies to accomplish them
- 2) The process of distributing resources, power & work in order to accomplish organizational goals efficiently & effectively
- 3) The process of utilizing organizational resources efficiently in order to accomplish aims & objectives effectively
- 4) The process of influencing & motivating personnel to engage in the required tasks in order to, achieve organizational aims & objectives.
- 5) The process of examining whether the actual activities confirm the planned activities & if there are deviations taking corrective measures. (.....)

17. Here is a section extracted from the organizational chart of a business firm.



The basis of departmentalization of this firm is

- 1) Customer basis
- 2) Geographical basis
- 3) Product basis
- 4) Functional basis
- 5) Mixed basis (.....)

18. Here are some activities relevant with the elements of management

- A) Division of work
- B) Communication
- C) Establish standards
- D) Motivation
- E) Formalization
- F) Departmentalization
- G) Leadership
- H) Evaluate alternatives

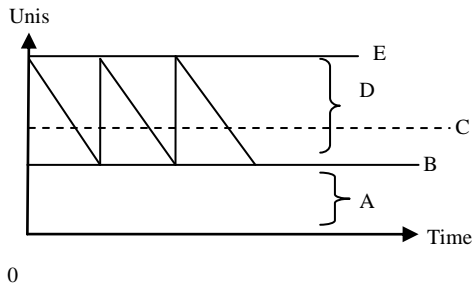
Which set of answer includes activities relevant to leading

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

19. In a manufacturing firm if the total fixed cost is Rs.2 million, sales income is Rs.10million, quantity of sales is 1000, total labour cost is Rs.3 million & the total direct material cost is Rs.2million , what would be the break even quantity

- 1) 400 units
- 2) 2000 units
- 3) 4000 units
- 4) 20000 units
- 5) 40000 units (.....)

20. The following chart represent various stock level



In the above chart A,B,C,D,& E represents in order

- 1) Re order quantity, Minimum stock level, Maximum stock level, Buffer stock & Re order level
  - 2) Buffer stock, Minimum stock level, Re order level, Re order quantity & Maximum stock level
  - 3) Minimum stock level, Re order level, Buffer stock, Re order quantity & Maximum stock level
  - 4) Minimum stock level, Re order level, Re order quantity, Buffer stock, Mximum stock level
  - 5) Buffer stock, Re order quantity, Minimum stock level, Re order level & Maximum stock level
- (.....)

21. Here are some product levels in which a product will be presented to the market by adding various values

- A) Augmented product
- B) Basic Product
- C) Expected product
- D) Core benefit
- E) Potential product

When the above levels are arranged in order the correct answer would be

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

22. The pricing method used by business firms to winover loyal customers would be

1. Valued pricing
  2. Perceived value pricing
  3. Target return pricing
  4. Mark up pricing
  5. Going rate pricing
- (.....)

23. The following statement was displayed in front of a firm that imports & distributes Motor bicycles.

“A valuable Helmet will be offered free of charge for each Motor cycle” This statement is relevant to

- 1) Personal selling
  - 2) Trade promotions
  - 3) Drect marketing
  - 4) Consumer promotions
  - 5) Sales force promotions
- (.....)

24. Here are some sources of finance

- A Retained Profits
- B Share issue
- C Commercial papers
- D Bank overdrafts

When these sources are categorized based on various criterias, the correct answer would be

- 1. A & D are internal sources of finance while B & C are external sources of finance
- 2. A & B are direct sources of finance while C & D are short term sources of finance
- 3. A & C are direct sources of finance while B & D are external sources of finance
- 4. A & D are internal sources of finance B & C are indirect source of finance
- 5. A & B are indirect sources of finance while C & D direct sources of finance (.....)

25. Here are some financial ratios

- A) Current Ratio
- B) Interest Cover ratio
- C) Returns on investment ratio
- D) Stock turnover ratio
- E) Return on stockholders equity ratio
- F) Debtors turnover ratio
- G) Debt equity ratio
- H) Total Assets turnover ratio

Out of above ratios the operating ratios would be;

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

26. Scriptless security issued by Government to act Via short – term funds would be;

- 1. Government Debt securities
- 2. Certificate of Deposit
- 3. treasury Bills
- 4. Commercial cheques
- 5. Treasury Bonds (.....)

27. Determining the tasks, duties & responsibilities which should be performed as a work unit in a firm to achieve a specific goal called.

- 1) Job design
- 2) Job description
- 3) Job Analysis
- 4) Job specification
- 5) Job evaluation (.....)

28. What are non monetary motivational methods used by firms to motivate one's employees

- 1) Loans for less interest/ Free accommodation/ Sick leave
- 2) Bonus/ Over time Payment/ free transport
- 3) Staffroom facilities/ medical facilities/ Over time Payment
- 4) Free meals/ medical facilities/ Transport facilities/ Over time payment
- 5) Supply goods & services for a discounted price/ pensions/ Entitled for provident fund (.....)

29. In the X column there are information systems according to usage levels & the Y column indicates users of these information systems

X	Y
A Strategic level	1. Accounts clerk
B management level	2. Chief executive officer
C Knowledge level	3. Supervisors
D Operational level	4. Middle level managers

When the X & Y columns are matched the correct answer would be

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

30. When the parts of a business plan is matched with the importance of them, the accurate answer would be;

X		Y	
A	Executive summery	1.	Indicates that there is a maket which is growing for one's products
B	Marketing plan	2.	Provide awareness regarding the production process
C	Operational plan	3.	Provide information on required funds & sources of financing
D	Financial plan	4.	Provide guidance to determine employee requirements & to be prepared for it
E	Human resource plan	5.	Give an impression about the business plan
1.	A- 5 B-1 C-3 D-2 E-4		
2.	A-5 B-1 C-2 D-3 E -4		
3.	A-2 B-1 C-3 D-4 E-5		
4.	A-3 B-2 C-1 D-5 E-4		
5.	A-5 B-3 C-4 D-1 E-2		(.....)

Fill in the balnks using suitable answers for the questions from numbers 31 to 40

31. In addition to earning profits, a business acting in a way that it would be fair for the entire society is called ..... while acting in a way that it would be favourable for everyone dealing with the business is called .....
32. State income can be categorized as ..... & ..... while state expenditure can be categorized as ..... & .....
33. a) The main document which should be sumitted for the registration of a company, according to the Company act no: 07 of 2007 is the .....
- b) The document issued by the company registrar when a company has been registered under the company act no: 2007 is called the .....
34. a) The basic role of an entrepreneur is .....
- b) Business who aren't dominant in one's industry are called .....
35. Bank overdrafts can be classified as ..... & .....
36. The member countries of the North American Free trade agreement are ..... , .....& .....
37. a) The principle which emphasises that an employee should be accountable only to a single superior is called .....
- b) The number of subordinates reporting to a superior is called .....
38. The time period in which a newly hired employee should work until a permemamt appointment is given is called ..... while the period which should be taken by an employee for training, who has been hired for a technical job is called .....
39. a) The technique used to approach information in websites & data bases is called .....
- b) Information systems which assist the decision making, direction & control are called .....
40. The estimated project cost in the financial plan consists of ....., .....& .....

write specific short answers for the questions from number 41 to 50



41. Name 4 functions in the business process  
1.  
2.  
3.  
4.
42. By analyzing the business environment a businessman could recognize  
1.  
2.  
3.  
4.
43. name the Consumer rights declared by the consumer International  
1.  
2.  
3.  
4.
44. Name the 3 types of franchises  
1.  
2.  
3.
45. Name the steps of the enterpereneurial process  
1.  
2.  
3.  
4.
46. State 4 Characteristics of an efficient transportation system  
1.  
2.  
3.  
4.
47. Name 4 types of operational layouts  
1.  
2.  
3.  
4.
48. Name 4 requirements which should be available for an effective market segmentation  
1.  
2.  
3.  
4.
49. Name 4 sub markets which belongs to the money market  
1.  
2.  
3.  
4.
50. a) The facility of combining two or more mediums with use of computers is called .....  
b) The computer network designed for communicating information within a firm is called .....

\*\*\*