

## G.C.E. (A.L.) Support Seminar- 2015

**Business Studies I**

*Two hours*

Important :

- \* Answer **all** the questions.
- \* Select the correct answer for question no. **1 to 30** and write its number on the dotted line given.
- \* Write short answers for question no. **31 to 50** on the dotted line given.
- \* Each question carries two marks.

1. Following are some statements on human needs and wants. What is the correct statement ?
 

(1) Human needs are compulsory	- Wants are not compulsory	
(2) There are alternatives for needs	- No alternatives for wants	
(3) Needs cannot be created	- Wants cannot be created	
(4) Needs are primary	- Wants are primary	
(5) Needs are varied	- Wants are not varied	(.....)
  
2. Forces that are related to different business environments are given below. Which of the following group is related only to the close environmental forces?
 

(1) Customers / Social culture		
(2) Social culture / Organizational structure		
(3) Potential investors / Customers		
(4) Potential investors / Organizational structure		
(5) Organizational structure / Demography		(.....)
  
3. Following are some social responsibilities that should be followed by businesses. Which of the following social responsibilities group is related only to customers?
 

(1) Equality / Health facilities / Equitable		
(2) Minimizing damage / Environmental friendly / Equality		
(3) Protecting rights / Professional safety / Environmental friendly		
(4) Equality / Minimizing damage / Protecting rights		
(5) Health facilities / Equality / Equitable		(.....)
  
4. Following are some signs of standards.



A



B



C



D



E

Name of the standard

1. Hazard Analysis Critical Control Point
2. Quality Management Standard
3. Good Manufacturing Practices
4. Occupational Health Safety Management
5. Environment Management System

Which of the following answer gives the correct match on standard signs and names ?

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

5. Consumer rights and the parties who have declared them are given below.

X	Y
A John F Kennedy B Consumer International	1. Right to Safety 2. Right to Healthy Environment 3. Right to be Informed 4. Right to Redress 5. Right to Choose 6. Right to Consumer Education 7. Right to be Heard 8. Right to Satisfaction of Basic Needs

The correct answer that matches X and Y

- (1) A - 1, 2, 3, 4 B - 5, 6, 7, 8 (2) A - 2, 3, 4, 5 B - 1, 6, 7, 8  
 (3) A - 2, 6, 7, 8 B - 1, 3, 4, 5 (4) A - 1, 2, 4, 5 B - 3, 6, 7, 8  
 (5) A - 1, 3, 5, 7 B - 2, 4, 6, 8 (.....)

6. Following statements are related to economic goals of a country.

Economic goals	Statement
A Full employment B Economic growth C Economic freedom	1. Controlling inflation 2. Fair income distribution 3. Contributing to the activities of consumers, businesses and labours 4. Utilising all production resources productively 5. Maintaining highest production capacity continuously

Economic goals and statements are correctly matched in

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

7. Followings are some of the business organisations.

- A - Sole proprietor B - Partnerships  
 C - Private limited company D - Public limited company

The business organisations belong to private sector, initiated with profit motive but don't maintain the legality are

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

8. Followings are some of the business organisations.

- A - Partnership B - Professional partnership  
 C - Private limited company D - Co-operative society

Which of the following answer correctly represents the minimum and maximum limits of owners in above business organisations?

- (1) A - (2 - 10) B - (2 - 50) C - (2 - 10) D - (7 - 50)  
 (2) A - (2 - 10) B - (2 - Unlimited) C - (1 - 10) D - (10 - 50)  
 (3) A - (2 - 20) B - (2 - Unlimited) C - (1 - 50) D - (10 - Unlimited)  
 (4) A - (2 - 50) B - (2 - 10) C - (2 - 50) D - (10 - 20)  
 (5) A - (2 - 20) B - (2 - Unlimited) C - (2 - 50) D - (20 - Unlimited) (.....)

9. Which of the following answer gives closest meaning to the concept called Entrepreneurship?

- (1) Traditional fishing equipment are renovated to catch fish in the sea  
 (2) Instead of selling traditional medicine, Amila has created a new medicine using imported materials  
 (3) Dinith follows daily exercises in order to win a sport event  
 (4) Rajitha has distributed books as a promotion in order to win an election  
 (5) Ajith targets diabetic patients in a rural hospital and sells a new herbal soup (.....)

10. What is the correct answer that orderly includes the country that introduced the entrepreneur concept to the world and the country that uses entrepreneur concept commonly?

- (1) India and developed nations
- (2) England and developing nations
- (3) France and developed nations
- (4) France and developing nations
- (5) Philippines and developed nations (.....)

11. Select the correct statement.

- (1) The validity time period of every cheque is six months only
- (2) Cheques can be deposited only to current accounts
- (3) Drawer can cancel the crossings in any cheque
- (4) A mortgage is a must for every bank overdraft
- (5) Bank manager's permission is a must to open a current account (.....)

12. Following table includes the insurance principles and its features.

X	Y
A. Utmost good faith	1. Existence of a property is a benefit and non-existence is a loss
B. Insurable interest	2. Insured and insurer should disclose all information genuinely
C. Indemnity	3. Insurance is different from gambling
D. Proximate cause	4. No compensation is paid to an uncovered risk

What is the best answer that combines X and Y ?

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

13. In Sri Lanka there is a expansion tendency of Highways.

- A - Southern Expressway  
 B - Colombo – Katunayake Expressway  
 C - Kottawa – Kaduwela Outer Circular Expressway

- (1) A - (E - 01), B - (E - 02), C - (E - 03)
- (2) A - (E - 01), B - (E - 03), C - (E - 02)
- (3) A - (E - 02), B - (E - 01), C - (E - 03)
- (4) A - (E - 02), B - (E - 03), C - (E - 01)
- (5) A - (E - 03), B - (E - 01), C - (E - 02) (.....)

14.

Document	Institute issues the document
A Vehicle fitness certificate	1. Divisional secretaries' office
B Revenue licences	2. Motor vehicle registration department
C Driving licences	3. Government approved garages
D Visa	4. Embassy
E Bill of lading	5. Shipping companies

Documents and the institutes that issue them are given in the above table, what is the answer group that gives the correct combination.

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

15. You have been given with the following information.

- A - It is an association established by many European nations to achieve growth in trading, economic and social aspects
- B - It is an association established by eight Asian nations including Sri Lanka and India
- C - It's a renowned organisation established to expand free trading among nations
- D - North American free trade agreement

Which of the following answer given the correct order of organizations for above definition?

- (1) NAFTA / SAARC / GSP+ / EU
  - (2) G-8 / ASIAN / WTO / NAFTA
  - (3) EU / SAARC / GSP+ / NAFTA
  - (4) GSP+ / SAARC / EU / WTO
  - (5) EU / SAARC / NAFTA / GSP +
- (.....)

16. Bases that are used to classify managers are given bellow with examples for managers

X	Y
A Based on managerial level	1. Human resources manager
B Based on scope of work	2. Middle level manager
C Based on responsibilities on work	3. Line manager

The answer that matches X and Y correctly,

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

17. "Keshara" is a principal in Sri Lanka administration service of educational. The power that he receives on his position is

- (1) Legitimate power
  - (2) Charismatic power
  - (3) Expert power
  - (4) Administrative power
  - (5) Personality power
- (.....)

18.

X	Y
A National brand	1. Two products are introduced under one brand
B Private brand	2. Using different brand for different products of the same business
C Family brand	3. Traders have used their brands after the manufacturers' have sold their product to them
D Individual brand	4. The manufacturer uses his own brand in the market

The answer that accurately matches the Brand (X) with description (Y) is

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

19. Which of the following marketing concept gives greater concern on customer ?

- (1) Production marketing concept
  - (2) Product marketing concept
  - (3) Marketing concept
  - (4) Holistic marketing concept
  - (5) Social marketing concept
- (.....)

20. Scrip-less security issued by the debt department of the Central Bank of Sri Lanka on behalf of the government to generate medium and long term rupee loans to the government is,

- (1) Sri Lanka development bonds
  - (2) Treasury bonds
  - (3) Rupee loans
  - (4) Secured debenture
  - (5) Unit trusts
- (.....)

21. In order to issue treasury bills, the permission should be obtained from,

- (1) President
  - (2) Finance minister
  - (3) Governor of the central bank
  - (4) Sectary of the treasury
  - (5) Parliament
- (.....)

22. Following are some of the features related to training and development programs

- A - Conceptual skills
- B - Relatively long-term
- C - Technical skills
- D - Relatively short-term
- E - Managerial employees are focused
- F - Should implement continuously
- G - Related to future organizational requirements

Which of the above features are related to development programs?

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

23. Information on the financial position in Navin's business as at 31<sup>st</sup> December 2014 is as follows.

	Rs.
Stocks	25 000
Debtors	30 000
Prepaid Insurance	10 000
Cash balance	5 000
Rent received in advance	6 000
Creditor	22 000
Accrued electricity	5 000

Gross working capital and net working capital of the above business respectively

- (1) 70 000 and 37 000      (2) 70 000 and 33 000      (3) 33 000 and 70 000  
(4) 37 000 and 70 000      (5) 76 000 and 49 000      (.....)

24. Dinith, Janith and Salith work as executives in the Sri Lankan administrative service

Name	Servicing years in Grade II	No. of years of total service
Dinith	5	20
Janith	7	10
Salith	6	25

One of these three employees is should be promoted to Grade I. The statement related to the most suitable employee is,

- (1) Salith is more suitable than Dinith as he has greater number of total years of service.
- (2) Janith is suitable as he has completed highest number of years of service in Grade II.
- (3) Dinith is the most suitable as he is the most senior.
- (4) Salith is the most suitable as he has completed over 25 years of service and nearing the retirement.
- (5) Dinith is suitable as he has lesser number of years of service in Grade II.      (.....)

25. A commercial bank has set of tasks such as accepting deposits, withdrawals, pawning, cheque clearing, and issuing credit. Initiating jobs to perform all these tasks separately is known as,

- (1) Job analysis      (2) Job designing      (3) Performance evaluation  
(4) Job description      (5) Job specification      (.....)

26. An advantage of external recruitment is,

- (1) A loyal set of candidates can be recruited.
- (2) A set of employees with the updated knowledge can be recruited.
- (3) It doesn't generate internal employee conflicts.
- (4) Low cost.
- (5) The satisfaction of internal employees will increase.      (.....)

27. Select the correct answer related to the functions of data processing procedure

- (1) Classifying / Sorting / Electronic data processing / Electro mechanical
- (2) Classifying / Summarizing / Calculating / Electronic data processing
- (3) Sorting / Calculating / Summarizing / Electro mechanical
- (4) Classifying / Sorting / Calculating / Summarizing
- (5) Classifying / Summarizing / Electronic data processing / Electro mechanical      (.....)



28. Following information is related to a production firm.

Number of units consumes	180
Ordering cost per unit	Rs. 100/
Maintaining cost per unit	Rs. 10/
Purchasing price of a unit	Rs. 180/

The Re-order quantity is,

- (1) 18                      (2) 60                      (3) 180                      (4) 600                      (5) 1 800                      (.....)

29. The information system that is used to make decisions on evaluation of investments and to calculate the economic order quantity in management level is,

- (1) Knowledge work systems                      (2) Management information systems  
(3) Decision support systems                      (4) Transaction processing systems  
(5) Executive support systems                      (.....)

30. Followings factors are included in financial and marketing plans

- A - Employee requirement                      B - Target market                      C - Competition analysis  
D - Factory layout                      E - Expected sales

Which of the above information are included only in a marketing plan?

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

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

31. (a) Groups that influence businesses and who are connected to external environment is .....

(b) Type of the company that influences shareholders personal wealth according to the guidelines provided in the article of association is .....

32. (a) The interest rate used by the Central bank in implementing the monetary policy is .....

(b) Refusing the payment for a cheque presented to a bank is known as .....

33. (a) In insurance any situation of a damage that can be estimated financially is .....  
..... and any possibility of occurring it is known as .....

(b) A commercial bank should obtain permission from ..... before establishing high tech automated teller machine (ATM) for the benefits of customers

34 (a) Shops that are established all over the country to distribute one specific producer's goods only is known as .....

(b) Permitting to import and export goods without any barriers is known as .....

35. (a) Standard that jointly introduced by International Labour Organisation (ILO) and Sri Lanka Standard institution is .....

(b) Father of scientific management is .....

36. (a) ..... is used to inform the general public that a brand mark is registered.

(b) When the top level management maintain a greater degree of decision making powers it is known as ..... , when lower level management is allocated with greater degree of decision making powers it is known as .....

37. (a) Write **two** values that should be maintained in order to conduct a communication system productively.  
(1) .....  
(2) .....
- (b) Write **two** advantages of written communication when compared to other communication methods used by businesses.  
(1) .....  
(2) .....
38. (a) ..... and ..... are the two main decisions to be made in financial management.  
(b) Two main bases that used to classify the financial requirements of a business are ..... and .....
39. (a) Write the controlling instruments for the following business sectors.  
Financial sector .....  
Operational sector .....
- (b) A computer network operational within a specific urban area is .....
40. (a) The idea maintained by an entrepreneur related to a product which has the capacity to fulfil a need or a want of a person or an organisation is known as .....
- (b) In the ..... section the overall summary of a business plan is given that presented to stakeholders of a business

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

41. (a) Write **two** functions conducted by the department of co-operative development  
(1) .....  
(2) .....
- (b) Write **two** types of franchise businesses  
(1) .....  
(2) .....
42. (a) What is the type of the business organisation that can be started by an individual in order to protect personal wealth with legality, perpetual succession and limitations in ownership ?  
.....
- (b) What is the document presented to register a co-operative society which is similar to the article of association of a company ?  
.....
43. (a) The time gap between two sequential orders is known as ..... and the quantity related to the time period in between placing an order and delivering the stock to the warehouse is .....
- (b) Name the **four** main sections in the holistic marketing concept.  
(1) .....  
(2) .....  
(3) .....  
(4) .....
44. (a) The marketing concept concentrates on the satisfaction of unique needs of individual customers .....
- (b) Most of the marketers use demographic factors in the process of market segmentation, what is the reason for this?  
.....

45. (a) Write **two** short term investment decisions related to financial management decisions.  
(1) .....  
(2) .....
- (b) Write **two** long term financing decisions.  
(1) .....  
(2) .....
46. (a) The tendency of continuous drop in stock prices in a share market is known as .....
- (b) Write **two** reasons that would have caused a public limited company to issued ordinary shares to generate capital than issuing debentures.  
(1) .....  
(2) .....
47. (a) Write **two** usages of preparing a cash budget.  
(1) .....  
(2) .....
- (b) Write **four** types of financial ratios that can be prepared through analysing financial statements.  
(1) .....  
(2) .....  
(3) .....  
(4) .....
48. (a) What is the generic purpose of human resources management ?  
.....  
.....
- (b) What are the factors considered in deciding the salary of an employee ?  
(1) .....  
(2) .....  
(3) .....  
(4) .....
49. (a) The main goal of financial management is to .....
- (b) Name the **two** sections that can be classified based on the maturity of financial market instruments.  
(1) .....  
(2) .....
50. (a) Name the information systems based on the level of usage.  
(1) .....  
(2) .....  
(3) .....  
(4) .....
- (b) Write **four** components that are included in the operational plan of a business plan.  
(1) .....  
(2) .....  
(3) .....  
(4) .....



# G.C.E. (A.L.) Support Seminar- 2015

## Business Studies II

*Three hours*

### Instructions :

\* Answer five (05) questions selecting at least **two** questions from each part.

### Part I

1. "Profitability and welfare are not the only aims of present businesses",
- (i) (a) Name **four** other aims of businesses. (2 marks)
  - (b) Write **four** activities that are conducted by businesses in order to achieve these aims. (2 marks)
  - (ii) (a) Explain the relationship between Primary and Secondary production using examples. (2 marks)
  - (b) Human needs are common, wants are complex". Write **four** reason for the complex nature of wants. (2 marks)
  - (iii) (a) Explain the terms "Production" and "Product", separately (2 marks)
  - (b) What is the name of the business type in which the production and consumption are made simultaneously ? Name the **two** major sections of that businesses. (2 marks)
  - (iv) Briefly explain how economical environmental forces of the external environment would influence a financial services providing business. (4 marks)
  - (v) (a) You intend to start an effective passenger transportation service, what are the qualities that your employees should develop to provide an effective service? (2 marks)
  - (b) State **four** favourable effects that are made by globalization on business activities. (2 marks)
- (Total 20 marks)**
2. (i) (a) A Japanese motor vehicle manufacturer intends to start a motor vehicle assembling plant in Kandy city. Name the institution that has constitutional powers in granting permission to the plant. What are the factors that are considered by them before granting permission ? (2 marks)
- (b) "There should be a mutual relationship between the government and businesses to achieve economic goals of a country", explain this statement. (2 marks)
- (ii) (a) "Consumer Affairs Authority educates the public on consumer protection regularly", write **four** main reasons that have caused the importance of consumer protection presently. (2 marks)
- (b) Write **four** universally accepted consumer responsibilities. (2 marks)
- (iii) (a) "Sneyeha", intends to go abroad for her higher education after completing both GCE (O/L) and GCE (A/L) exams. Write **four** government institutions that directly involve in this process. (2 marks)
- (b) What are the situations a sole proprietorship business should be registered ? Write the process that should be followed in registering. (2 marks)

- (iv) (a) Suwimal has no faith on affairs collectively made with others and prefers to work independently. Sapumal willing to work cooperatively and accepts others ideas. State separately the most suitable business organizational types they should start. (2 marks)
- (b) “Every public limited company is a quoted company”, do you agree with this statement? Explain. (2 marks)
- (v) (a) Even though the co-operatives are provided with government sponsorship they face many difficulties in competing with private sector traders. Write **two** of those difficulties. (2 marks)
- (b) Write four factors that are considered by a franchisor before selecting a franchisee. (2 marks)
- (Total 20 marks)**
3. (i) (a) Answer the questions using the following information.
- Isuru conducts a motor vehicle repairing business after making renovations that he inherited from his father.
  - Ravindra has introduced a mosquito coil to prevent dengue disease using local medicines.
  - Gayan has introduced a new music CD through remaking old songs
1. Which of the above party is considered as the most successful entrepreneur ? (1/2 marks)
2. Name **three** characteristic that the entrepreneur you suggested should maintain. (1 1/2 marks)
- (b) Name **two** local institutes that encourage entrepreneurs in Sri Lanka and write one function each provided by them. (2 marks)
- (ii) (a) How does the credit rating institute get involved in operations of financial institutes ? (2 marks)
- (b) Following letters and signs were given in an advertisement telecasted by a financial institute.
- BB + (1ka) Fitch Rating**
- What is meant by the above letters and signs ? (1 mark)
- Write **two** benefits that a customer can earn from credit rating activities. (1 mark)
- (iii) (a) What are the benefits a current account holder can earn from the counterfoil of a cheque ? (2 marks)
- (b) 1. What do you mean by a “Cash Cheque” ? (1 marks)
2. “A cash cheque cannot be crossed”, do you agree with this statement? Explain. (1 marks)
- (iv) (a) What is meant by a Contractual Savings institute? Explain with examples (2 marks)
- (b) Central Bank of Sri Lanka has introduced Rs.5,000 note recently, give **two** reasons that would have caused the introduction of a high value note. (2 marks)
- (v) (a) Currently there is a high tendency in the usage of Electronic Cash, write **two** facilities that are used to increase the convenience in E-Cash payment activities. (2 marks)
- (b) Surakshitha, has purchased accident cover worth Rs.500,000. He died after one year and the cause of the death is a heart disease. His dependents have claimed compensations but the insurance company has refused to pay any. Can the insurance company refuse the compensation payment ? Explain. (2 marks)
- (Total 20 marks)**

4. (i) (a) Shalika and Nalika are two graduate teachers in the same age. They have purchased two life insurance policies from one insurance company under the agreement of deducting the premium from their monthly salaries, but the insurance company has deducted different amounts from their salaries. What are the main reasons that would have caused this difference ? (2 marks)
- (b) Several projects were initiated recently to renovate the road network in Sri Lanka. Can we expect an overall growth in the transportation system through these renovations ? (2 marks)
- (ii) Farmers sell their vegetables and fruits from their farms to special economic centres and the wholesalers distribute them all over the country.
- (a) Name **four** factors that should be considered in distributing vegetables and fruits in a safe manner. (2 marks)
- (b) What are the strategies should be implemented in warehousing and distributing vegetables and fruits in special economic centres? (2 marks)
- (iii) Sarith is an owner of a garment exporting business. Write the exporting process that he should follow. (4 marks)
- (iv) (a) At present the super market system is heavily expanded but the weekly fairs are also still popular in both urban and rural areas, what are the advantages a consumer can earn from those weekly fairs? (2 marks)
- (b) Name **two** communication methods that can be used by a local employment agency to exchange information with a foreign employment provider. (2 marks)
- (v) (a) 1. What do you mean by a bonded warehouse ? (1 marks)
2. What the benefits that an importer can earn from a bonded warehouse ? (1 marks)
- (b) Write **four** payment methods used in foreign trade. (2 marks)
- (Total 20 marks)

## Part II

5. (i) (a) “Management is a science, as well as an Art” Explain (2 marks)
- (b) State the relation between the planning and controlling (2 marks)
- (ii) (a) Ransilu Company Limited manufactures infant garments. Employees in this company have already offered with free transportation and many other welfare facilities. There is a high growth in the company’s production and sales, further the company has reduced the production cost through minimising wastage levels. Accordingly the company’s profitability and sales revenue have drastically increased. Write **four** criteria that can be used by Ransilu Company Limited to measure their overall efficiency related to above incidents. (2 marks)
- (b) What are reasons that have increased the importance of management in business organisations that function under the present dynamic environment? (2 marks)
- (iii) “Ceylon Textile” conducts their garment factory for almost one year now. The directors of CeylonTextile have decided to motivate the employees in their factory.
- (a) Write **four** employee motivation methods that can be implemented by “Ceylon Textile”. (2 marks)
- (b) “Leadership is the ability of directing and influencing work related activities of the members of a team”, name **four** importances of a leader to an organisation. (2 marks)

- (iv) (a) Write main components in an organisational structure. (2 marks)  
(b) Write **four** reasons that have escalated the importance of organising for the success of a business organisation. (2 marks)  
(v) (a) The total fixed cost of the business is Rs.60,000. Selling price of a unit is Rs.60. Total variable cost is Rs.30,000. Turnover of the business is Rs.60,000. Calculate the break-even point production units in this business. (2 marks)  
(b) What are the benefits of the breakeven analysis to a business ? (2 marks)  
(Total 20 marks)

6. (i) (a) Why does the marketing considered as a human and social process ? Explain. (2 marks)  
(b) “Marketing is important not only to the businessmen but also equally important to the economy and customers”  
1. How does the marketing become important to economy ? (1 mark)  
2. How does the marketing become important to customers ? (1 mark)  
(ii) (a) What are the requirements that have to be fulfilled in effective market segmentation ? (2 marks)  
(b) “The prominence is given to a good when a marketer provides a service”, explain this statement using an example (2 marks)  
(iii) (a) Marketing mix can be classified into Good Marketing Mix and Service Marketing Mix. State the sub variables of the Good and Service Mix separately. (2 marks)  
(b) Explain **four** levels of a product with examples. (2 marks)  
(iv) Presently every product is presented to the market with a brand name.  
(a) Write **four** qualities a brand should maintain. (1 mark)  
(b) Write **two** types of brands with examples (1 mark)  
(c) Write **two** other factors that are considered by a manufacturer before selecting the price of a product in addition to the cost, demand and competition. (1 mark)  
(d) Fixed cost per unit is Rs.4.00, total variable cost is Rs.20,000. Expected sales units are 1,000. If the manufacturer expects 20% return on the selling price,  
1. What is the selling price of a unit ? (1/2 mark)  
2. What is the total turnover ? (1/2 mark)  
(v) (a) Vishmitha (Pvt) Ltd has requested you to prepare a job application advertisement for a Computer Programmer job vacancy. Prepare a job application accordingly. (3 marks)  
(b) Give examples for medias that publish job advertisements. (1 mark)  
(Total 20 marks)

7. (i) “Sumihiri Producers” provide dairy products to the market. The main goal of a dairy producer should be to sell fresh dairy products to the customer.  
(a) What are the factors that Sumihiri Producers should consider in purchasing materials ? (2 marks)  
(b) Explain the consequences to be faced by a business since they have not purchased quality materials ? (2 marks)  
(ii) (a) Nawin is photographer; he does the camerawork in different functions in which he is invited.  
1. What is the production method followed by Nawin ? (1 mark)  
2. What are the main criteria that differentiate this production method from the rest ? (1 mark)  
(b) 1. What are the elements that affect the quality of a product ? (1 mark)  
2. What is meant by Quality Assurance ? (1 mark)

- (iii) (a) Graphically explain the nature of 'total cost', 'ordering cost' and 'holding cost' in a production business in deciding Economic Order Quantity. (2 marks)
- (b) What are the factors to be considered in installing a layout plan? (2 marks)
- (iv) (a) Write **two** benefits each of Training and Development to employer and employee. (2 marks)
- (b) What are the advantages of maintaining peaceful industrial relationships? (2 marks)
- (v) (a) Authority of a human resource manager is implemented in both vertically and horizontally and this nature of authority is different from other managers. Explain. (2 marks)
- (b) What is meant by Job Description and Job Specification? (2 marks)

(Total 20 marks)

8. (i) (a) "Colombo Stock Exchange doesn't generate new capital to companies", do you agree with this statement, give reasons? (2 marks)
- (b) What do you mean by an investment portfolio? Explain using an example. (2 marks)
- (ii) (a) A limited company maintains a high geared capital structure with profitability, should this company issue debentures or ordinary shares to generate additional capital? Explain. (2 marks)
- (b) What are the strategies that can be implemented by a business to minimize a deficit of working capital? (2 marks)
- (iii) (a) Name **two** types of securities that are traded in Colombo Stock Exchange (CSE). (2 marks)
- (b) Name the international standards that were followed in preparing "S&P Sri Lanka 20" index which replaced the Milanka price index. (2 marks)
- (iv) At present there is tendency of providing free Wi-Fi facilities to employees and customers by Sri Lankan businesses. What are the benefits both the businesses and customers can earn from this facility? (4 marks)
- (v) (a) Explain the term 'cash flow statement', and give two examples each for cash inflows and outflows (3 marks)
- (b) "A business without a business plan is similar to a boat with a broken paddle". Explain. (1 marks)

(Total 20 marks)

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