

6. What is the immediate effect to the turnover and profit of a business when the production is reduced while the price of common goods is increased ?

	Turnover	Profit
(1)	Decrease	Increase
(2)	Increase	Decrease
(3)	No change	No change
(4)	Decrease	Decrease
(5)	Increase	Increase

(.....)

7. An entrepreneur uses a budget for

- (1) minimizing the financial requirements.
- (2) providing financial information to employees.
- (3) monitoring operations of the business.
- (4) monitoring financial performance of the business.
- (5) identifying the output level at the break-even point.

(.....)

8. Compared to an entrepreneur, a businessman is most willing to

- (1) take risks.
- (2) accept all responsibilities.
- (3) perform safely.
- (4) enhance creativity.
- (5) create new business opportunities.

(.....)

9. The following table provides monetary policy instruments used by the Central Bank of Sri Lanka and descriptions related to them.

Instruments	Descriptions
(i) Standing deposit facility rate	A - Buying and selling of government securities by the Central Bank on permanent or temporary basis.
(ii) Open market operations	B - An interest rate imposed by the Central Bank in granting advances for achieving temporary liquidity purposes in commercial banks.
(iii) Statutory reserve rate	C - The interest rate charged by the Central Bank when commercial banks obtain funds by pledging government securities.
(iv) Standing lending facility rate	D - The amount of deposit that commercial banks are required to maintain at the Central Bank from their deposits.
(v) Bank interest rate	E - The interest rate paid by the Central Bank when commercial banks invest their surplus funds in government securities.

What is the option that correctly matches the given order of instruments with the descriptions stated above?

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

(.....)

10. **Statement A** : Public Service Provident Fund is applicable for all permanent employees in the government sector.

Statement B : Employees Provident Fund is applicable for all private sector employees.

Out of the above two statements,

- (1) A is correct and B is incorrect.
- (2) A is incorrect and B is correct.
- (3) Both A and B are incorrect.
- (4) While both A and B are correct, A is elaborated through B.
- (5) While both A and B are correct, A is not elaborated through B.

(.....)

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18. A business facilitates its employees to work from home via online mode in a crisis situation.

This statement illustrates more on

- (1) importance of planning (2) adaptation to dynamic environment
 (3) avoid organizational weaknesses. (4) coordination of managerial functions
 (5) need of technological knowledge. (.....)

19. The following table shows the components of a strategic plan and descriptions relating to them.

Components	Descriptions
(i) Mission	A - Guide the way of conducting affairs to achieve goals and objectives of the organization.
(ii) Goals	B - Outline what needs to be done to achieve goals and objectives of the organization.
(iii) Strategies	C - Outline a series of steps that need to be followed to achieve a task.
(iv) Policies	D - Outline the long term expectations and aspirations that an organization needs to achieve.
(v) Procedures	E - Decide the nature and direction of an organization.

Which is the option that correctly matches the description as per the order of the components given above?

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

20. Select the option that correctly states the leadership styles as per the order of the two decisions given below.

A : Employees are given full freedom and control to carry out their tasks.

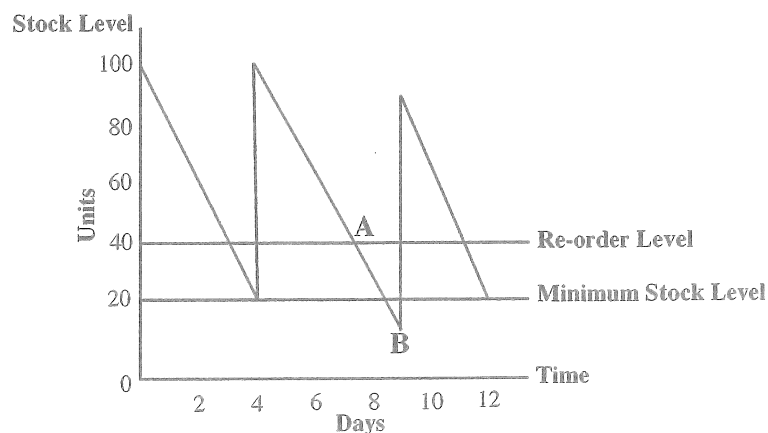
B : Obtain employee participation through decentralization of authority.

- (1) Autocratic and Democratic (2) Democratic and Laissez-Faire
 (3) Democratic and Autocratic (4) Autocratic and Laissez-Faire
 (5) Laissez-Faire and Democratic (.....)

21. Select the answer which contains only the functions of operations management.

- (1) production engineering, inventory control, production control, and production planning
 (2) material purchasing, setting standards, measuring performance, and production control
 (3) production engineering, production planning, material purchasing and production control
 (4) production engineering, internal audit, inventory control, and production control
 (5) setting standards, measuring performance, identifying variance, and research and development (.....)

22. Points A and B of the following diagram show



- (1) a decrease of consumer demand and an increase of cycle time.
 (2) an increase of consumer demand and a decrease of cycle time.
 (3) an increase of consumer demand and lead time.
 (4) an increase of re-order quality and lead time.
 (5) a decrease of minimum stock level and an increase of cycle time. (.....)

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23. Choose the statement that correctly states 'Quality Assurance'.
- (1) Small groups of employees discuss about production issues.
 - (2) Manufacturing complying with national and international standards.
 - (3) Ensuring the quality of products at each phase of the production process.
 - (4) Assuring that the manufacture of each product is free of defects
 - (5) Communicating the performance of manufacturing process to relevant parties. (.....)
24. 'Market positioning' for a product or service means,
- (1) increasing sales in the market.
 - (2) increasing the market share.
 - (3) establishing in the market in the long-run.
 - (4) increasing the monopolistic power of the businessman.
 - (5) building-up a favourable attitude in consumer's mind. (.....)
25. In the last year, the current ratio and quick ratio of a company were 3:1 and 2:1 respectively. While current ratio remains unchanged in the current year, the quick ratio is 1:1. This indicates comparably,
- (1) an increase of company's liquidity.
 - (2) an increase of closing stock value.
 - (3) a decrease of closing stock value.
 - (4) a decrease of company's liquidity.
 - (5) an increase of company's total liabilities. (.....)
26. Following are several types of financial markets.
- | | |
|----------------------------------|-----------------------------|
| A - Inter bank call money market | B - Corporate bond market |
| C - Commercial paper market | D - Foreign exchange market |
| E - Share market | F - Treasury bond market |
- From the above, what is the group which belongs only to the capital market?
- (1) A, B, F
 - (2) B, D, F
 - (3) B, E, F
 - (4) C, D, F
 - (5) C, E, F (.....)
27. The following table shows types of selection methods of applicants and some measures relating to them.
- | Methods | Measures |
|----------------------------|--|
| (i) Application assessment | A - Ability to control emotions |
| (ii) IQ tests | B - Ability to accomplish the task of the relevant job |
| (iii) Practical tests | C - Suitability of candidates' qualifications |
| (iv) Personality tests | D - Ability of logical thinking |
- What is the option that correctly matches the measures as per the order of methods given above?
- (1) B, A, C, D
 - (2) B, C, D, A
 - (3) C, D, A, B
 - (4) C, D, B, A
 - (5) D, C, A, B (.....)
28. The immediate result of providing financial benefits on employee performance is
- (1) increasing employee motivation.
 - (2) increasing employee productivity.
 - (3) increasing employee attraction.
 - (4) minimizing employee absenteeism.
 - (5) improving employer-employee consensus. (.....)
29. An employee disciplinary issue that can occur while on duty is
- (1) delayed reporting to work.
 - (2) working for a competitive organization.
 - (3) resigning from the job without informing.
 - (4) taking leave without approval.
 - (5) assaulting an employee. (.....)
30. Several steps used in the management process are given below.
- | | |
|----------------------------|--------------------------------------|
| A - Co-ordination | B - Tasks identification |
| C - Problem identification | D - Delegation of work |
| E - Departmentalization | F - Employee training |
| G - Resource analysis | H - Inter-departmental communication |
- Out of the above, steps related only to organizing include,
- (1) A, B, D, E
 - (2) A, D, E, G
 - (3) B, E, F, H
 - (4) D, E, G, F
 - (5) D, E, F, H (.....)

- Answer questions from 31 to 40, by filling in the blanks with **suitable word / words**.

31. (a) As ownership of a sole proprietorship belongs to a/an person, creditors' of such a business is high.
- (b) Collective of partners is unlimited and therefore, making process in such businesses requires a longer time than sole proprietorship.
32. (a) Near money is an that can be converted into cash easily and it also functions as an accumulation of
- (b) The of bank money is comparatively lower than currency, and a deposit is an example for bank money.
33. (a) The main function of the Co-operative Rural Bank is to collect from people residing in rural areas and to provide strong institutional support for rural
- (b) The two categories of institutions that are eligible to be authorised as primary dealers are commercial banks and primary dealer companies.
34. (a) Electronic banking system facilitates customers to access their and perform financial
- (b) The institution established to provide government information to the public in Sri Lanka is and its telephone number is
35. (a) A document issued by an authorized institution of the exporting country confirming the suitability of consumption of export-agro products is certificate and a document issued by a shipping line to the exporter indicating that the goods have been accepted for shipping is
- (b) To boost revenue and to local industries, the Government imposes on imports.
36. (a) Division of labour creates and thereby employee will increase.
- (b) The printing of advertisements is an example for production method and tailoring garments for an individual is an example of production method.
37. (a) ISO standard is relevant to environmental management and ISO 9001 is relevant to management.
- (b) All physical components of an information system is and computer programs used for data processing is

38. (a) The that a consumer receives from consumption of goods and services is the of it.

(b) A collective effort of all employees in an organization to provide a better service for is known as marketing.

39. (a) While a fixed rate of is payable for debentures, a varied rate of is payable for ordinary shares.

(b) While employee enhances current job performance, employee focuses on the future performance of the organisation.

40. (a) When ascertaining the production cost, salary of finance manager is categorized as cost, and salaries of production employees are categorized as cost.

(b) The organizational depicts the inter-relationships between various divisions and positions within an organization and they can be summarized through organizational

● For questions from 41 to 50, write the specific answers in the space provided.

41. State four ways that businesses fulfill human wants.

- (1)
- (2)
- (3)
- (4)

42. List four points as to how adherence to business ethics would be important for a business.

- (1)
- (2)
- (3)
- (4)

43. State four main objectives that a business expects to accomplish.

- (1)
- (2)
- (3)
- (4)

44. Write four limitations of private limited companies.

- (1)
- (2)
- (3)
- (4)

45. List **four** reasons as to why entrepreneurship is important for the success of small and medium enterprises (SMEs).

- (1)
- (2)
- (3)
- (4)

46. Name the logistics system that matches with each description given below.

Descriptions	Logistics systems
1. Supply of goods manufactured using purchased raw materials to consumers.	1.
2. Obtaining required raw materials for production	2.
3. Providing products to end user	3.
4. Returning used products to the manufacturer	4.

47. Complete the following table with respect to financing sources used by public limited companies.

Internal source	External source
1.	1.
2.	2.




48. Write **four** ways of using the internet for business activities.

- (1)
- (2)
- (3)
- (4)

49. Write **four** points that should be considered when preparing a business plan.

- (1)
- (2)
- (3)
- (4)

50. Write the meaning of each of the following symbols given below, related to online purchasing process.

(1) 	(2) 
(3) 	(4) 