



Royal College – Colombo 07

රාජකීය විදුහල කොළඹ 07

Grade 13 – Final Term Test June 2010

13 වන ශ්‍රේණිය අවසාන වාර පරීක්ෂණය 2010 ජූනි

Time – 1 hour

Business Studies I – Part I

Instructions for candidates:

- Answer all questions in Part I on the question paper it self. Each question carries one mark.
 - When answering questions 01-20 underline the most appropriate answer.
 - Fill in the blanks with suitable words for questions No. 21-30
 - When answering questions No. 31-40 write distinctly.
-

(01) The most appropriate statement for intergraded business structure is,

- i. There is no interdependent of each segments.
- ii. Decision making can be done by separate analysis of each segment.
- iii. Separate decisions should be made for each segment.
- iv. Comprehensive awareness of the business is important
- v. Elements of the business are functioning separately.

(02) A reason to develop the service sector of Sri Lanka is,

- i. Urbanization
- ii. Increase of population
- iii. Increase of literacy level
- iv. Changing the life style.
- v. Growth of Agricultural sector.

(03) If there is a special attitude of a certain good in a consumer. it is,

- i. a normal good
- ii. a special good
- iii. a shopping good
- iv. an unsought good
- v. a consumer good

(04) Which of the following is establish on believe and values.

- i. Vision
- ii. Mission
- iii. Goals
- iv. Objectives
- v. Business plan

- (05) A business practice which existed in an old economy
- i. Marketing is done by all
 - ii. Less promises and more fulfillments
 - iii. Consumer oriented business structures.
 - iv. Building Brand preference through activities
 - v. Concern about stock holders.
- (06) The main consideration of industrial policy of Sri Lanka is,
- i. Opening industries on imported raw material.
 - ii. Opening large amount of large scale industries.
 - iii. Opening industries by taking foreign technology from development countries.
 - iv. Providing incentives to the private sector to invest in the industrial sector.
 - v. Opening imports substitution industries.
- (07) Select the correct statement for “Business environment”
- i. It can divide in to two parts as internal environment and external environment
 - ii. It can divide in to two parts as internal environment and Macro environment
 - iii. Customers are included in the internal environment
 - iv. Managers are included in the task environment
 - v. Employees are included in the task environment
- (08) What is the step should be taken by a business, if it is armed with strengths in internal environment while the external environment filled with threats.
- i. It is a good chance. The business should take the advantages.
 - ii. Waiting until remove the weaknesses and threats.
 - iii. Being strengths by avoiding weakness
 - iv. Concern about threats and overcome them tactfully with the aid of strengths.
 - v. Leave from the business.

- (09) In the role of social responsibility, the business should give the priority to,
- i. the consumer
 - ii. the investor
 - iii. the good
 - iv. human rights
 - v. the business
- (10) An ethic relates with Interlectual property is,
- i. Not hindering employees capabilities
 - ii. Present quality goods.
 - iii. Not engaging competitively in the businesses
 - iv. Minimizing business cost
 - v. Increasing employee welfare
- (11) Which of the following statement is correct for financial instruments & supply of money.
- i. Decrease of reserve requirements – Increase the money supply
 - ii. Increase of discount rate – Increase the money supply
 - iii. Purchasing of securities – Decrease the money supply
 - iv. Decrease of debit control – Decrease the money supply
 - v. Increase of reserve requirements – Increase the money supply
- (12) The standard related with 'Information protection Management System' is known as,
- i. ISO 17000
 - ii. ISO 21000
 - iii. ISO 27000
 - iv. ISO 14000
 - v. ISO 18000
- (13) The maximum valid time of a patent is,
- i. 20 years
 - ii. 10 years
 - iii. 05 years
 - iv. 15 years
 - v. 25 years
- (14) The highest layer of organization structure of an incorporated company is, represented by
- i. Middle level managers
 - ii. Stock holders
 - iii. Top level managers
 - iv. Chief executive officer
 - v. Director board

- (15) Savings deposits Treasury bills and commercial papers belongs to general public is a part of ,
- i. Valid money
 - ii. Bank money
 - iii. Near money
 - iv. Commodity money
 - v. Prefect money
- (16) A responsibility of the Board of Insurance of Sri Lanka is,
- i. Providing insurance policies
 - ii. Building the relationship among insurer and insuaree
 - iii. Registering the insurance companies
 - iv. Promoting the insurance business
 - v. Investing insurance funds.
- (17) The management of Sri Lankan Air Line is done by,
- i. Sri Lanka Insurance corporation
 - ii. Central Bank of Sri Lanka
 - iii. Peoples Bank
 - iv. The government
 - v. Bank of Ceylon
- (18) Import entry is presented by,
- i. Exporter
 - ii. Importer
 - iii. Insurance Company
 - iv. Commercial Bank
 - v. Shipping Company
- (19) Which of the following is a knowledge level information system,
- i. MIS
 - ii. DSS
 - iii. TPS
 - iv. OAS
 - v. ESS
- (20) Which of the following is are – business structure
- i. E – mail
 - ii. E - Government
 - iii. Google
 - iv. E - shop
 - v. E - money

- (21) collection that belongs to a business firm is known as knowledge.
- (22) tax is charged when withdraw the money from a bank account.
- (23) companies are introduced by the company act no 07 of 2007.
- (24) Council is established to provide instructions regarding companies for the relevant minister.
- (25) The web site related with Sri Lanka is ended by
- (26) Providing benefits for parties is affected to the success of the business.
- (27) The trade marks certified by the institute of standard is known as
- (28) A company can use as articles of association of the company according to new company act.
- (29) Sri Lanka insurance company PLC is institute.
- (30) Is used to inform dishonored cheques by commercial banks.
- (31) What are the main functions of the managers?
 i.
 ii.
 iii.
 iv.
- (32) 'The value is a mix of three factors' what are they?
 i.
 ii.
 iii.
- (33) State there main indirect taxes.
 i.
 ii.
 iii.
- (34) Classify the industries according to the scale.
 i.
 ii.
 iii.
 iv.

- (35) State four factors belongs to the economic environment.
- i.
 - ii.
 - iii.
 - iv.
- (36) Intellectual properties consists with
- i.
 - ii.
 - iii.
- (37) The insurance policies related with cargo are,
- i.
 - ii.
 - iii.
- (38) Whole sellers can divided into two parts according to the services they providing. They are,
- i.
 - ii.
 - iii.
- (39) The two parts belongs to the trade account in a balance of payment are,
- i.
 - ii.
- (40) What are the two barriers to expand the global trade?
- i.
 - ii.



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Time – 2 hours

Business Studies I – Part II

Instructions for candidates:

- Answer four (4) questions only including question one (01) and two (2).
-

- (01) i Mention the importance of the business to customers and society.
- ii. What are the methods that can be used to increase the value of a good or service.
- iii. Explain production chain through an example.
- iv. Explain responsibilities of partners, investing capital, participation for management according to the public awareness.
- v. Explain the degree of contribution extended by strengths and weaknesses of internal environment as well as opportunities and threats coming from external environment, while achieving organizational objectives.
- vi. What are the facts including in articles of association of an unlimited company?
(3x6 = 18 marks)
- (02) i. (a) State separately,
i. document based payment and settlement instruments
ii. electronic based payment and settlement instruments
(b) What are the advantages of using cheques for a businessman
- ii. (a) What are the function of Central Bank of Sri Lanka.
(b) What are the advantages of scrip less securities depository system.
- iii. Explain briefly the principles of insurance.
- iv. What are the recent steps that has taken by the government to develop the railway transportation?
- v. Write short notes.
(a) The Gazette
(b) The Indent
(c) The ware house warrant
- vi. Demonstrate the functions of an information system on a diagram.
(3x6 = 18 marks)

- (03) i. (a) What is meant by mission statement?
(b) What are the facts including in a mission statement.
- ii. "There are three types of government rules and regulations affected to the business" state them with examples.
- iii. What are the duties we should perform as a consumer in order to ascertain consumer rights.
- iv. Mention legal rights & commitment of a company.

(3x4 = 12 marks)

- (04) i. Demonstrate the organizational structure of a public company on a diagram.
- ii. What are the basic facts that includes in a certificate of incorporation of a company.
- iii. What are the values based on the co-operative movements?
- iv. What legal power does the consumers affairs authority has to formalize the trade.

(3x4 = 12 marks)

- (05) i. (a) What is meant by negotiable instruments?
(b) What are the characteristics of negotiable instrument?
- ii. State the management structure of Central Bank of Sri Lanka
- iii. What are the services provided by a merchant bank?
- iv. What are the functions performed by Export Development Board to develop the exports in Sri Lanka.

(3x4 = 12 marks)

- (06)
- i. "A friend of yours is carrying out a business and wishes to open a current account". What are the instructions he should follow when writing a cheque.
- ii. What are the factors which affects to an effective communication.
- iii. Briefly explain the types of agents.
- iv. What are advantages of e-commerce for businessmen and consumers?

(3x4 = 12 marks)



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Time – 1 hour

Business Studies II – Part I

- When answering questions 01 to 20 enter a “✓” mark in the most appropriate cage.

01. Value added tax is,

- | | |
|--------------------------|----------------------------------|
| <input type="checkbox"/> | 1. a tax imposed on income |
| <input type="checkbox"/> | 2. a tax imposed on capital gain |
| <input type="checkbox"/> | 3. a tax imposed on profit |
| <input type="checkbox"/> | 4. a indirect tax |
| <input type="checkbox"/> | 5. a progressive tax |

02. The factor that doesn't belong to product mix is,

- | | |
|--------------------------|-------------------|
| <input type="checkbox"/> | 1. Quality |
| <input type="checkbox"/> | 2. Responsibility |
| <input type="checkbox"/> | 3. Package |
| <input type="checkbox"/> | 4. design |
| <input type="checkbox"/> | 5. quantity |

03. Consumer satisfaction is a important factor in marketing. The measurement used to identify level of this satisfaction is,

- | | |
|--------------------------|---|
| <input type="checkbox"/> | 1. Usage of attractive package |
| <input type="checkbox"/> | 2. Implementation of advertising campaign |
| <input type="checkbox"/> | 3. Implementation of personal selling campaign |
| <input type="checkbox"/> | 4. Offer to the market after inspection of products |
| <input type="checkbox"/> | 5. Usage of confidential market investigation |

04. The government and government agencies provide different services, for development of small business the government agency which provides consultancy, marketing and infrastructure facility for small business is,

- | | |
|--------------------------|--------------------------------------|
| <input type="checkbox"/> | 1. National packaging center |
| <input type="checkbox"/> | 2. Board of investment |
| <input type="checkbox"/> | 3. National development bank |
| <input type="checkbox"/> | 4. Industrial development board |
| <input type="checkbox"/> | 5. Industrial development department |

05. The fund provider of “Gamira” credit scheme

- 1. Bank of Ceylon
- 2. Rural Development Bank
- 3. National Development Bank
- 4. Hatton National Bank
- 5. Central Bank of Sri Lanka

06. The concept which explain about the best use of resources to fulfill objectives and goals is,

- 1. Effectiveness
- 2. Efficiency
- 3. Productivity
- 4. Motivation
- 5. Business Policy

07. Which one is not the function of production management,

- 1. Purchasing of raw material
- 2. Research and development
- 3. Production planning
- 4. Engineering
- 5. Development of goodwill

08. The personal factor that does not impact on entrepreneur development is,

- 1. Experience
- 2. Strategies
- 3. Management
- 4. Role model
- 5. Laziness

09. The process of getting accustomed of employees to the organization is called,

- 1. training
- 2. development
- 3. orientation
- 4. performance
- 5. grievance handling

10. The fact that comprise of job description is,

- 1. Nature of job
- 2. Location of job
- 3. Condition of employment
- 4. Responsibility and duties
- 5. Employer’s name

11. The fact which includes in implementation part of business plan is?
- 1. A description about business
 - 2. A description about organization structure
 - 3. A description about sales
 - 4. A description about pricing strategy
 - 5. A description about Distribution
12. The organization which use electricity power consumption as a measurement of identification of small business.
- 1. Statistic and census department
 - 2. Board of investment
 - 3. Central bank of Sri Lanka
 - 4. Export development board
 - 5. Industrial technological institute
13. Identify the Pricing Policy out of followings
- 1. Market Skimming Pricing
 - 2. Market Penetration Pricing
 - 3. Product Mix Pricing
 - 4. Cost base Pricing
 - 5. Price adoption method
14. The price index which measure the price changes of shares of blue cheep companies in Sri Lanka.
- 1. total return index
 - 2. Milanka index
 - 3. All share index
 - 4. Whole sale price index
 - 5. Colombo Price index
15. Fixed cost - 50000 , Variable cost - 25, Expected sales volume -1000, Price is decided in order to earn 25% of profit .
Find the price to be listed?
- 1. 30/-
 - 2. 25/-
 - 3. 37.50
 - 4. 32.50
 - 5. 27.50
16. The party who doesn't involve to solve the disputes among employees is,
- 1. Customers
 - 2. Labour union
 - 3. Government agencies
 - 4. Employer
 - 5. Employees

17. An activity that doesn't belong to Human resource management is,

- 1. Analyze of job
- 2. Performance appraisal
- 3. Job design
- 4. Man power planning
- 5. Job rotation

18. The factor that should be concerned, when decide the location for business is,

- 1. Infrastructure facility
- 2. Market facility
- 3. Labour requirements
- 4. Environmental law
- 5. Capital requirements

19. The method which is not used to control the level of stock.

- 1. A,B,C analysis
- 2. JIT method
- 3. Economic order Quantity
- 4. First in First out
- 5. Dual bin method

20. Purchasing goods on credit belongs to

- 1. Leasing method
- 2. Over draft facility
- 3. Trade debt.,
- 4. Discounting bill of exchange
- 5. factoring

● **Fill the blanks with appropriate word or words.**

21. The selling of owing amounts from debtors is called _____.

22. The fund which is contributed only by employer party behalf of employee party is called _____

23. Adding necessary resources to the process of production on right time is called _____

24. The credit scheme funded by national development trust fund and deposits of members which provides finance through saving books for small businesses is called _____

25. The process of giving instructions to the employees to perform their jobs in accurate manner and construct good confidence to perform their job is called _____

26. The state organization established in Sri Lanka so as to create formal and fair security market is _____
27. The ratio which shows efficiency of utilization of assets to generate profit is _____
28. Adopting one brand for the range of products produced by a firm is called _____
29. Break even point analysis, financial statement, financial forecasting are included in _____ of business plan.
30. Sri Lanka custom department belongs to the ministry of _____

● **Write the precise answer for following questions.**

31. Following information are taken from balance sheet of certain business.

Ordinary share capital - 40
 Preference share capital - 18
 Debenture - 5

Calculate gearing ratio?

.....

32. Name new trade system established in Colombo share market in order to facilitate the transactions of debentures, treasury bill and bonds?

.....

33. Name credit scheme which is provided to small businessman with collaboration of commercial banks and DFCC bank.

.....

34. What is the source which comprise of employees rights, responsibilities and other legal requirements?

.....



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Time – 2 hours

Business Studies II – Part II

Instructions for candidates:

- Answer 4 questions including (1) and (2) questions.
 - Start answer for new question with a new page.
-

- (01) i. a) What are the major factors that impact on the entrepreneurship process.
b) Identify the three sub factors for each above?
- ii. a) Most of business men attempt to introduce their businesses as small businesses. What are the reasons behind that?
b) The small business men often face numerous difficulties. What are the possible suggestions that would overcome those difficulties?
- iii. The market segmentation is a basic element of sound marketing process. Explain the market segmentation with a example?
- iv. Identify causes behind why company issue debentures instead of issuing of shares?
- v. a) Business organizations are using different stock issuing methods. Name the 5 methods?
b) What is meant by computation of stock and identify benefits of it?
- vi. Write the short notes.
a) Lanka Puthra Development Bank
b) Letter of credit
c) Convertible debenture
- (02) i. The marketers of new millennium, move beyond conventional marketing concepts and reach to the holistic marketing concept.
a) What is meant by Holistic Marketing concept.
b) Identify major factors of this concept?
- ii. Every manufacturing organizations are practiced quality control.
a) Explain the quality control
b) Identify methods of quality control

- iii. a) Identify different between money and finance?
b) Identify two major finance activities of business.
 - iv. The grievances handling is a major function of Human resource management.
a) What is meant by the grievance of employee
b) Classify reasons which cause to create grievances and identify two factors under each category?
 - v. The business plan consists of numerous facts. Explain the content of organizational profile of business plan.
 - vi. Write short notes.
a) Managerial voles
b) Sri Lanka nation development bond
c) Multi-fiber agreement
- (03) i. Every manger is not a successful manger. What are the causes behind their failures.
- ii. “There is no control, where there is no plan”.
Explain above statement and point out the mutual relationship between planning and controlling through a diagram?
- iii. Explain the promotion mix and identify sub factors of it?
- iv. The package provides convenience to customers and sellers. Explain?
- (04) i. Write short notes
a) Material requisition note
b) under trade
c) Economic order quantity
- ii. Identify separate procedures which can be taken on surplus of labour and deficit of labour?
- iii. a) What is meant by production mix?
b) Businessman doesn't continue the same product mix. Identify the reasons behind that?
- iv. a) Explain the publicity with examples?
b) Identify special features of publicity?

- (05) i. Identify the elements of leading function of management and explain how does leading impact on the success of business.
- ii. What is meant by internal foreign exchange market?
Name the functions of it?
- iii. Assume that one person has one million rupees and he is concerned on following investment methods.
a) Purchase of unit trust
b) Deposit the money in fixed deposit
c) Purchase of treasure bill
Identify advantages and risks of above each methods?
- iv. a) Identify difference between leasing and bank loan.
b) Identify the sources of working capital in business.
- (06) i. Explain self employment and how does it differ from small business.
- ii. Write short notes
a) motion of employee
b) central depository system
c) Direct marketing
- iii. What is meant by employment contract? Identify the facts which should be included in there?
- iv. Following information are given from manufacture of computer tables.
Total fixed cost - Rs. 1000,000
Variable cost - Rs. 2,000
Selling price - Rs. 3,000
- a) How many tables should be produced to reach to break even point?
b) Explain importance of break even analysis for businessmen?