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**Provincial Department of Education - NWP** (S2) (E) (II)  
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**Third Term Test - Grade 13 - 2016**

Index No : ..... **Business Studies II** **Three Hours**

**Instructions**  
Write answers for 5 questions by selecting at least 2 question from each part.

**Part I**

1. i Business means the all activities in relevant to production and marketing of goods and services which satisfy human needs and wants with or without profit motive. Explain the following concepts which include in "Business" concept.
 

(a) Product	(b). Value and satisfaction	
(c) Exchange and transaction	(d). Market	(04 marks)
  - ii. Electronic commerce and electronic businesses are new concepts immersed with the development of businesses.
 

(a) Explain E commerce and E business separately	(02 marks)
(b) Show the relationship among trade, commerce, industries, businesses and E- businesses in a flow chart	(02 marks)
  - iii. (a) What are the benefits that could be received by a businessman by analyzing the business environment using SWOT (02 marks)  
 (b) Describe how public can contribute towards waste management. (02 marks)
  - iv (a) Explain the business ethic concept "communicating only the truth" (02 marks)  
 (b) Explain the business ethics in relevant to production (02 marks)
  - v (a) Name 4 parties that should be considered by a business in relevant to business social Responsibilities (02 marks)  
 (b) What are the advantages received by stake holders through business social responsibility concepts? (02marks)
2. i (a) Name 4 consumer rights declared by Consumer International (02 marks)  
 (b) What are the three acts repealed by consumer Affairs Authority Act? (02 marks)

- ii (a) What is meant by "patent"? (02 marks)  
 (b) What is meant by protecting "Intellectual property"? (02 marks)
- iii (a) Describe HACCP standard. (02 marks)  
 (b) Name 4 ways that the standards are operated in Sri Lanka. (02 marks)
- iv Sudarshana is a talented mechanic, Nandana is a good vehicle tinker and Ajith is a welder. These three friends started partnership to do their businesses collectively.  
 (a) What could be the reasons (name 4 reasons) for Sudarshana to decide to convert his business into a partnership? (02 marks)  
 (b) Name 4 disadvantageous situations that Sudarshana will face due to this transformation of business. (02 marks)
- v (a) The minimum number of shareholders in a public limited company is one. But the Act shows further that minimum number of directors should be 2. According to the Companies Act give your ideas on the way how the company should act according to the regulations in this situation. (02 marks)  
 (b) Name 2 objectives of government that lead to the decision of allowing only one person to start a company. (02 marks)
3. i Name 8 features of entrepreneurial qualities which are common to all entrepreneurs. (04 marks)
- ii (a) Name 2 nongovernmental programs that support small scale businesses. (02 marks)
- iii Name three advantages that could be gained through entrepreneurship to the Sri Lanka economy. Explain the importance of them. (04 marks)
- iv (a) Commercial banks are promoting their attractive deposit methods to the investors and general depositors. However all these deposits or savings accounts can be categorized into several parts. Name and explain them. (2 marks)  
 (b) Supplying loans is a major activity of commercial banks. Describe bank. Describe two types of general loans supplied by the commercial banks. (2 ½ marks)
- v (a) Name and describe the parties involved in electronic money transactions. (02 marks)  
 (b) Name 2 disadvantages faced by businessmen and customers due to the use of electronic money. (02 marks)
- 4 i (a) Name and define shortly the major two types of marine insurance policies. (02 marks)  
 (b) Write short notes.  
 i. All risk policy ii. Total loss cover iii. Valued policy iv. Open policy (02 marks)
- ii (a) What is the necessity of using transportation for the success of a business? (02 marks)  
 (b) What are the reasons for using container ships mostly in Sri Lanka? (02 marks)

- iii (a) Name and explain two matters each on the importance of internal and external communication towards businesses. (02 marks)
- (b) Effective communication is very important for the success of a business. But there are obstacles which disturb this effective communication. Name 4 such obstacles (barriers) towards communication. (02 marks)
- iv (a) Why "SAARC" is considered as a trade bloc ? (02marks)
- (b) Why "BRICS" is not considered as a trade bloc? (02 marks)
- v What are the reason for super markets becoming more popular among people? (04 marks)

## Part II

- 5 i (a) Define "Management ". (01 marks)
- (b) What are the inputs that should be used to achieve goals and objectives of an organization? (01 marks)
- (c) Management is a process. Name the functions of management in the order and explain them shortly. (02 marks)
- ii (a) Robert L katz has divided the skills of a manager in to three types. Name and Explain them shortly. (03 marks)
- (b) There is an inter-relationship among the management skills and levels of management explain them shortly. (01 marks)
- iii (a) The basic objective of operations management is to produce high quality goods or services. Name the various operational methods used in production management and explain one of them shortly. (02 marks)
- (b) What is meant by inventory management Describe JIT system shortly? (02 marks)
- iv (a) What is meant by production capacity?. State how over capacity affects the business. (02 marks)
- (b) What are the two types of costs included in production cost? Explain them shortly (02 marks)
- v (a) Economic order quantity can be defined as a factor which decides the optimum stock level of an organization. Describe what the economic order quantity means (02 marks)
- (b) Describe following things shortly
  - i. Quality circles
  - ii. Recycling and reusing (03 marks)

- 6 i (a) Manufacturers segment their market to obtain a good market for their products. What is called by "Market segmentation"? (01 marks)
- (b) Explain "Target market". (01 marks)
- (c) There should be a good brand for the producers to create a good demand. What are the main features of a good brand? (02 marks)
- ii (a) Explain "packaging" shortly. (02marks)
- Mention the advantages of packaging for consumers and businessmen separately. (02 marks)
- (b) Explain value and satisfaction as marketing core concepts. (02marks)
- iii (a) Define "Capital Gain" with examples. (02 marks)
- (b) Investing in a unit trust is an investing in an investment portfolio. Explain this statement. (02 marks)
- iv (a) Explain shortly the "Interbank call money Market" and "Treasury bill market". (01 marks)
- (b) What are the special advantages of treasury bills compared to other securities exchanged in financial market? (02 marks)
- v Define "Financial Market" and categorize financial market according to,
- i Maturity period    ii. Origin of financial tools    iii. Nature of financial tools
- 7 i (a) Which type of influence affect the business income, due to Equity Capital and Loan Capital"? (02 marks)
- (b) Name three "Liquidity Ratios" and what is the equation for calculating "Gross profit margin". (02 marks)
- ii Human resource in an organization is basically divided in to two as employees and employers
- (a) Define "Employers" what is the objective of employers? (02 marks)
- (b) Define "Employees" what is the major objective of them? (02 marks)
- iii Employee grievances directly affect the efficiency of the employees. Therefore these grievances can weaken the achievement of goals and objectives of an institute.
- (a) Explain "Employee Grievances" (02 marks)
- (b) What are the steps of settling "Employee Grievances"? (02 marks)
- iv Performances appraisal means analyzing and reporting of how an employee has performed his duty to achieve organizational goals and objectives
- (a) Name two administrative purposes and two development purposes of "Performance Evaluation" (01 marks)
- (b) Explain followings shortly.
- i. Job Description    ii. Employee welfare (02 marks)
- v. Explain what a "Trade Union" is and explain 4 objectives of such a trade union. (04 marks)

- 8 i Name two information systems that can be established under each of following systems.
- (a). Marketing information system
  - (b). Financial and Accounting information system
  - (c). Operational information system
  - (d). Research and development information system (04 marks)
- ii Write short notes.
- (a). World Wide Web
  - (b) E-mail
  - (c) News Groups
  - (d) File transfer protocol (04 marks)
- iii (a) What are the features of a "good information "? (02 marks)
- (b) Name and explain the functions of an information system. (04 marks)
- iv (a) What are the advantages of written business plan? (02 marks)
- (b) What are the things included in an operational plan? (02 marks)
- v (a) Present a sample business plan for a business idea of yours which allows you to spend your time with your friends freely and in an economically advantageous way. (02 marks)
- (b) Business plan is a "Bio-data" of a business. Do you agree with this definition? Explain it. (02 marks)