



# D.S. Senanayake College – Colombo 07

Final Evaluation – Commerce

Grade 13 – 2016 June

Business Studies (Paper I)

Time 2 Hours

Name:-..... Index No:- .....

1) Several definitions which have been presented in different views about business are as follows select the most suitable definition, presented in broad view.

- i) Business is a work relating to the buying and selling of goods and services.
- ii) Business is any profit seeking activity that provides goods and services designed to satisfy human needs & wants.
- iii) Business is any activity which satisfies human needs and wants.
- iv) Business is any economical activity which is conducted with an objective of earning profit
- v) Business is any activity related to trade and auxiliary services.

2) Several features related to the "need" and "wants" are given below.

- |                        |                        |                       |
|------------------------|------------------------|-----------------------|
| i) Happening naturally | ii) Can not be changed | iii) can be motivated |
| iv) Unlimited          | v) common              | vi) can be created    |

Which answer shows the correct features of needs.

- i) i,iii,v      ii) ii,v,vi      iii) ii,v,iii      iv) iii,iv,vi      v) i,ii,v

3) Economical systems and activities which are relevant to each economical system are given below.

<u>Economical System</u>	<u>Relevant activities</u>
A. Industrial Economy	1) Using labour and domestic machineries as basic factor of production
B. Self sufficient Economy	2) Goods exchanging system personal specialization
C. Knowledge Economy	3) Machineries and large scale factories
D. Agricultural Economy	4) Globalization information technology

Which answer gives the correct combination of Economical system and relevant activities

- i) A-4, B-1, C-2, D-3      ii) A-3, B-1, C-4, D-2      iii) A-1, B-2, C-2, D-4  
iv) A-3, B-1, C-2, D-4      v) A-2, B-1, C-3, D-1

4) A B and C are three environment forces and 1,2,3,4 and 5 are several groups of variables which are relevant to each environment force.

- A- Economical Environment  
B- Demographical Environment  
C -Natural Environment

- i) Scarcity of resources / unfavorable Climate / environment pollution
- ii) unemployment / balance of payment / inflation
- iii) environment pollution / distribution of income / Economical growth
- iv) Growth of population / age / educational level



Which answer given the correct combination of and variables?

- i) A-i, B-ii, C-iii                      ii) A-v, B-iv, C-i                      iii) A-ii, B-iv, C-i  
iv) A-v, B-iii, C -i                      v) A-iii, B-ii, C-i

5) Several types of goods and features of goods are as follows.

<u>Features</u>	<u>Types of goods</u>
A- Prices are in high level and no substitutes	A- shopping goods
B- Machineries, spare parts, Industrial services	B- Industrial goods
C- Consumer can purchase from the market without much effort	C- Specialty goods

Which answer gives the correct combination of each good and relevant feature?

- i) AD, BB, CA, DC                      ii) AC, BB, CA, DD                      iii) AA, BD, CA, DC  
iv) AC, BA, BD, DB                      v) AC, BB, CD, CA

6) Which of the following infrastructure facilities is not an economical infrastructure

- i) Transportation                      ii) Postal Service                      iii) Electricity  
iv) Communication                      v) Water

7) Consumer has several rights. Some rights have been introduced by the consumer international and some are introduced by John Kennedy, Former president of U.S.A.

Which of the following rights not introduced by John Kennedy

- i) Right to safe                      ii) Right to be informed                      iii) Right to fulfill basic needs  
iv) Right to choose                      v) Right to be heard

8) Some characteristics of partners are given below.

- A- Doesn't contribute for the capital                      B- Unlimited liability  
C- Contributes for the capital                      D- Partnership is not disclosed to the public  
E- People know about his partnership                      F- Supplies loan facilities

Select the answer that indicates the characteristics of a sleeping partner.

- i) A,B,F                      ii) B,C,E                      iii) B,C,F                      iv) B,C,D                      v) C,D,E

9) Several business ethics and business fields which are relevant to each ethic are given below.

<u>Ethics</u>	<u>Business Fields</u>
A- Not to do fraudulent activities on intellectual properties	1- Financial Accounting
B- Refrain from unethical advertising	2- Human Resources Manage
C- Motivating Employees	3- Marketing
D- Presenting source document which are relevant to the transactions	4- Operational Management
E- Eco- friendly product	

Select the group which shows the correct combination of ethics and relevant business fields.

- i) A-2, B-4, C-1, D-4                      ii) A-4, B-3, C-2, D-1                      iii) A-4, B-3, C-1, D-4  
iv) A-3, B-1, C-4, D-1                      v) E-1, A-2, B-4, C-2



10. Select the two classifications of limited companies.

- i) Private limited companies & public limited companies
- ii) Listed public limited companies & unlisted public limited companies
- iii) Companies limited by guarantee and listed companies
- iv) Companies limited by guarantee and companies limited by shares
- v) Private limited companies & offshore limited companies

11. Several factors which for the development of entrepreneurship are as follows.

- |                |              |                             |
|----------------|--------------|-----------------------------|
| A - Experience | B - Models   | C - Family Responsibilities |
| D - Groups     | E - Contacts | F - Management              |

Select the answer that indicates sociological factors which affect for the development of entrepreneurship.

- i) A, B, F      ii) B, E, F      iii) C, D, E      iv) B, D, F      v) A, C, E

12. A benefit gained through entrepreneurship for the economic development of Sri Lanka is,

- i) Risk taking and maximization of profit
- ii) Dedication for work and successful management
- iii) Full commitment and identifying business opportunities
- iv) arising job opportunities and upliftment of standard of living
- vi) Development of new market and introducing technology.

13. Ajith has insured his Rs.10/- million worth building in Ceylinco insurance company and the Ceylinco insurance company has insured that property in Sri Lanka insurance. This is considered as,

- |                     |                        |                   |
|---------------------|------------------------|-------------------|
| i) Double insurance | ii) underwriting       | iii) Re-insurance |
| iv) Over insurance  | v) liability insurance |                   |

14. Jayalath is a school teacher. While he was going to school he bought a lottery ticket and gave Rs. 20/= to the lottery seller. There were several Rs.20/- notes and one Rs.500/- note in his pocket which were recently issued. After going to school he could identify that he had given his Rs.500/- note to the lottery seller. Considering the currency notes which have been issued recently in Sri Lanka. Select the characteristics of good money among following characters which are relevant to the above case only.

- |                          |                 |               |
|--------------------------|-----------------|---------------|
| A- General Acceptability | B- Stability    | C- Durability |
| D- Homogeneity           | E- Divisibility |               |

- |             |             |              |
|-------------|-------------|--------------|
| i) A, B, E  | ii) A, B, C | iii) B, C, E |
| iv) C, D, E | v) B, C, D  |              |

15. Several elements and features of good transportation system are as follows.

- |                |             |           |
|----------------|-------------|-----------|
| A- Convenience | B- Power    | C- Speed  |
| D- Cost        | E- Terminal | F- Medium |

Select the answer that indicated the elements of transportation.

- |             |             |              |
|-------------|-------------|--------------|
| i) A, B, C  | ii) B, C, D | iii) A, E, D |
| iv) B, E, F | v) B, C, F  |              |



16. According to Henry Mintzberg, roles of managers and several duties belonged to each managerial role are as follows.

	Managerial Role		Duties
A	interpersonal Role	01	Monitor
B	Informational Role	02	Resources Allocator
C	Decisional Role	03	Leader
		04	Disseminator
		05	Entrepreneur
		06	Figurehead

Select the statement which shows correct duties of a manager according to each role of managers.

- i) A-1,4/ B-3,6/ C-5,1                      ii) A-3,6/ B-1,4/ C-2,5                      iii) A-5,4/ B-3,1/ C-6,2  
 iv) A-2,5/ B-1,6/ C-3,4                      v) A-3,2/ B-4,5/ C-5,6

17. Bases of classifying plans and several types of plans of an organization are given below. base types

- 1) Breadth                      A- Specific Plans  
 2) Time frame                      B- Strategic Plans  
 3) Specificity                      C- Short term Plans  
 4) Frequency of use                      D- Single use Plans

When the types of plans match according to the bases, stated as 1, 2, 3, 4 respectively, select the correct answer.

- i) A, C, B, D                      ii) B, C, D, A                      iii) C, A, B, D                      iv) D, B, C, A                      v) B, C, A, D

18) According to the annual budget, the information relevant to a certain product is as follows.

Unit of sales	40 000
Selling price per unit	200/= Rs
	Rs.
Direct material cost	80
Direct labour cost	40
Variable cost	40
Fixed cost	<u>20</u>
	<u>180</u>

Break even quantity is,

- i) 40 000                      ii) 32 000                      iii) 20 000                      iv) 10 000                      v) 5000

19) Product, price, promotion and distribution (place) are components of the,

- i) Targeted market                      ii) marketing mix                      iii) marketing objectives  
 iv) promotion mix                      v) marketing concepts

20) According to the product life circle, different stages of a product and production strategies which should be taken under the each stage are given below.

Product stage	Strategies
A- Introduction stage	1- adding new parts
B- Growth stage	2- Basic product is presented
C- Maturity stage	3- Product is kept in existing form
D- Decline stage	4- Modification of product

Select the correct answer which shows the strategies which should be followed under each stage respectively.

- i) A-2, B-3, C-1, D-4                      ii) A-2, B-1, C-4, D-3                      iii) A-1, B-4, C-5, D-2  
 iv) A-1, B-3, C-2, D-4                      v) A-3, B-2, C-5, D-1



- 21) "Love the customer, not the product is a theme used by a certain company. The marketing philosophy of this company is,
- i) Production concept      ii) Product concepts      iii) Selling concepts  
iv) Marketing concepts v) Core-marketing concepts
- 22) Select the group which includes in the "Marketing Mix" (4P)
- i) Produce/ process/ promotion / price      ii) product/price/place/promotion  
iii) product/plant/price/promotion      iv) product/package/place/plant  
v) product/ price/plant/public relation
- 23) The ordering cost of an item is Rs.180/- annual demand is, 10,000 units for an year. Economic order quality of that item is.
- i) 800      ii) 600      iii) 360      iv) 400      v) 6000
- 24) Which of the following is not consist in the promotion mix.
- i) Advertising      ii) Direct marketing      iii) Personal selling  
iv) Post consuming      v) Events & Experiences
- 25) Which of the following ratios is not a leverage ratio.
- i) Cash ratio      ii) debt ratio      iii) debt to equity ratio  
iv) time interest earned ratio      v) fixed charges coverage ratio
- 26) Some functions with regard to profitability and liquidity of a business organization are given below.
- A- Fund-flow forecasting  
B- Cost controlling  
C- Pricing  
D- Fund raising  
E- Calculating earning ratios
- Out of the above the functions directly influence on the profitability are.
- i) A and B      ii) A and E      iii) B and C      iv) C and F      v) D and E
- 27) Some of the information's related to a job in a company are as follows.
- A- Accounts clerk      B- Passed G.C.E. A/L  
C- Grade III D-      Certificate of a professional accounting institution  
E- Pensionable      F- Experience  
G- Promotions based on professional accounting qualification
- Out of above, what is the answer that includes only the information with regards to a job specification.
- i) A, B, C, D      ii) A, B, F, G      iii) C, D, E, F      iv) D, E, F, G      v) B, D, F, G
- 28) Information's can be classified under some bases, what is the classification that stock turnover, gross profit and net profit are included.
- i) Source      ii) nature      iii) occurrence  
iv) Management      v) deterministic and probabilistic
- 29) Details of information which includes in a business plan are briefly explained in the,
- i) Executive summary      ii) business description      iii) marketing plan  
iv) Operation plan      v) financial plan
- 30) Which of the following clears the share transactions of the Colombo Stock Market.
- i) Securities and Exchange Commission of Sri Lanka      ii) Broker Association  
iii) Colombo Stock Exchange      iv) Central Depository system (Pvt) Ltd  
v) Automated Trading System



- Answer question No. 31 to 40 by filling in the blanks with suitable words.

31) The following data is extracted from the Central Bank Report-2011

	Rs. Million
1) Agriculture livestock & forestry	260,000
2) Fishing	30,000
3) Mining and quarrying	50,000
4) Manufacturing	450,000
5) Electricity, Gas and Water	60,000
6) Construction	150,000
7) Wholesale and retail trade	580,000
8) Hotels and restaurants	9,000
9) Transport and communication	350,000

According to the above data.

- a. Value of the primary production is

.....

and the value of secondary production is

.....

- b. The value of the agriculture production is

.....

and the value of the industrial production is

.....

32) Minimum number of directors of a public limited company according to the companies act no. 7 of 2007 is .....and minimum number of directors which should be in a limited co-operative society according to the co-operative registration act.....

33) ..... and ..... are the examples for the intellectual properties and relevant act for the intellectual properties is.....

34) Freedom for buying and selling anything which satisfies human needs & wants without any barriers is known as..... trade and attempting to protect domestic industries from external competition by implementing tariffs and quotas is known as.....trade.

35) Trading activities done through the internet is called..... and .....are the information systems which are used in knowledge level.

36) ..... is the term used to define the number of subordinates directly reported to a manager and the legitimate power delegated to a manager of an organization is known as.....

37) .....and .....are the types of tests which are used in selecting employees and .....& .....are the methods which are used to train employees.





48) Give an example for each ration given below.

	Ratios	Example
1	Liquidity Ratios	
2	Leverage Ratios	
3	Profitability Ratios	
4	Inventory Turnover Ratio	

49) State four types of activities which are taken by trade unions in collective bargaining.

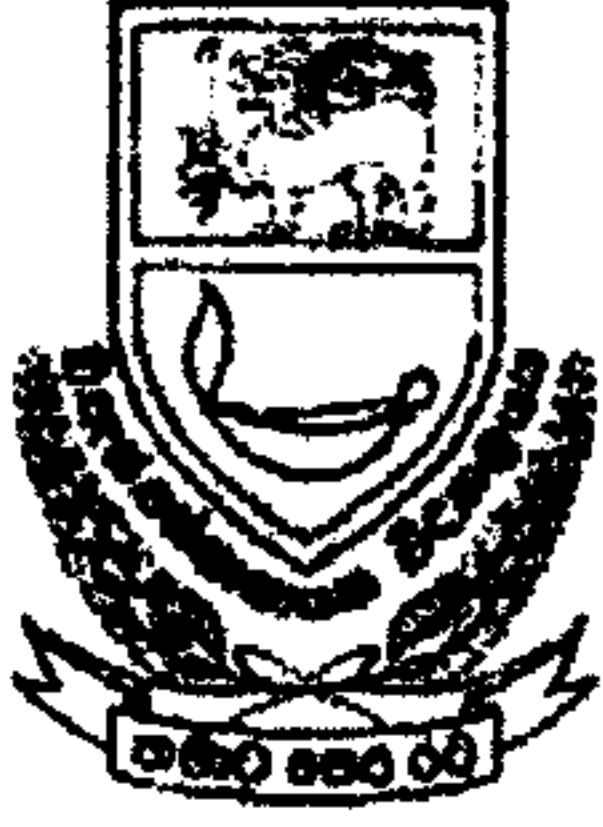
- i .....
- ii .....
- iii .....
- iv .....

50) State four types of information systems, used in different management levels.

- i .....
- ii .....
- iii .....
- iv .....







# D.S. Senanayake College – Colombo 07

Commerce

Grade 13

Final Evaluation - 2016 June  
Business Studies (Paper II)

Time: - 3 hours

Name :- .....

Index No:- .....

- 1) i) "Business is any activity which satisfies human needs and wants" what do you mean by "any activity" state in point form.
- ii) Sapumal is a student who follows a computer course in N.I.B.M. every day he goes there by bus. After finishing his class, he has used to work for an internet café to earn some money for his education. His father is doing a grossary and mother is a house wife. She has used to grow vegetables and fruits which are essential for their daily consumption. She earns an extra income by selling her excess production. They have decided to obtain a bank loan to expand their business.  
State which factors of this event reflect the following concepts.
- a- Goods and services  
b- Direct and indirect production  
c- Trade and commerce
- iii) Production can be proudly classified either agricultural sector, industrial sector and service sector or primary industries, secondary industries and tertiary industries.  
You are required to present separately two complete flow charts to represent all sub sections of the above classifications.
- iv) A business may have various types of aims and objectives state four types of aims and objectives.
- v) Demographic environment is a very important factor for a businessman who is concerned about the market.
- 02) i) "Today globe environment is changed rapidly due to the environmental pollution and most countries have paid their attention about greening the economy"  
State four activities taken by the government of Sri Lanka to publish the concept of greening economy.
- ii) State four types of unethical activities which are done by business organizations today.
- iii) a) Kasun Chamara is a sole proprietor who manage a farm shop. He decides to name his business as "fresh-farm". What sort of procedure should be followed by him?  
b) Dasun is a graduate in management. He doesn't like to do a job and expects to start a garment factory. According to his ideas it should be a limited liability business and he expects to issue shares to the public.
- a) What type of business is this?  
b) Propose a suitable name for this business  
c) What is the procedure which should be followed in registering this business  
d) State the similarities of this business compared with a co-operative society.
- iv) Suresh expects to start a business according to his ideas, it should be a well popular business with low risk and should be able to earn profit from the beginning stage. But he is unable to bear high cost for the advertising and promotional activities.
- a) According to your experience, what type of business is most suitable for Suresh?  
b) What are the advantages of that business
- v) A, B and C are sole traders who produce same types of products. They decided to combine and establish a public limited company with an expectation of expanding the business island widely.
- i) What type of combination is this?  
ii) State the different types of combinations of business?



- 03) i) What is the importance of SEMA (Strategic Enterprises Management Agency) regarding government sector enterprises?
- ii) Saman has invented a motor which can be used to control fuel consumption and he has obtained the patent right for it. Several popular business organizations have asked Saman to join with them. But his idea is to start his own business now he is in indecisive in front of financing the business and thinks whether join with a popular business organization or start and own business. His dream is to be a world popular businessman.
- i) According to the above event state four attributes of entrepreneurship
- ii) State four characteristics of an entrepreneur.
- iii) What is the most suitable decision you propose for Saman?
- iv) State four reasons for the unsuccess of small business within short period in Sri Lanka.
- v) State four types of loan proposals which have been introduced to promote small business in Sri Lanka.
- 04) i) One of your friends wants to know the difference between a debit card and a credit card.
- a) i) Explain briefly the difference between a debit and a credit card.
- ii) State the types of debit & credit cards.
- b) *"Today, currency notes and coins are not functioning as a store of value any more"* comment.
- ii) Some of financial institutions have faced with some problems recently. What are the steps taken by the Central Bank of Sri Lanka to solve these problems
- iii) a) Sisira insures his 100,000 00 worth land & building in two insurance companies. If it is burned down how can he receive his compensation from these two companies?
- b) Mohideen has insured his 50 million worth property for 30 million and if he incurred a loss of 25 million rupees, what is the amount he can receive as his compensation
- iv) Several institutions are functioning to minimize risks of import & export trade prepare a chart mentioning four of such institutions and their main duties in foreign trade.
- v) *"Today the physical market has been expanded upto the E-market."*  
*"State the difference between physical market & E-market."*

### Part - II

- 05) i) Saman is a qualified manager with fair knowledge in management. But at most times he is unsuccessful in making decisions according to your idea, what are the other requirements to be a better manager?
- ii) It is important to analyze the environment in the process of planning. If you are a manager how do you analyze this environment.
- iii) Various types of controlling methods are used by businessman in controlling business. State the instruments issued by a businessman according to the feedback control.
- iv) *"Success of a business depends on its leadership. Explain briefly."*
- v) One of your friends expects to start a production business. Explain him, about the factors which should be considered production a product.
- 06) i) The quantity of production which should be produced by a business organization is decided on the demand of the customers. Economical benefits are the other important factors in deciding the quantity of production state the different types of economical benefits.
- ii) A cake manufacturer wishes to change his production method from batch to flow. What benefits might be get from this changes?
- iii) The total fixed cost of a shoe manufacturer is Rs.4/- millions. The variable cost of a pair of shoe is Rs.400/- selling price of a pair of shoe is Rs.600/-.
- a) How many units it need to produce for break-even?
- b) What are the advantages which can be obtained through the break-even analysis?



- iii) a) What is meant by "Market Segmentation"?
- b) What are the bases and variables used by marketers in segmenting consumer market?
- iv) State the product life-cycle stages and show the special features that can be seen in each stage.
- v) Name a promotional method for each of the following goods and give a reason for your choice.

Good	Promotional Method	Reason
Convenience goods		
Shopping goods		
Industrial goods		

- 07) i) Brand name is very important for the success of a product. It is not easy to decide a good brand name. What are the features which should be in a good brand name?
  - ii) The nature of demand in the market can be categorized into several categories. State 4 types of demand and what are the strategies which should be taken under the each state of demand to win the market?
  - iii) Following are some of the information relevant to a limited company.
    - 01.01.2010 Inventory (Stock)      Rs. 400,000
    - Purchases for the year (Stock)      Rs. 1900 000
    - 31.01.2010 Inventory (Stock)      Rs. 500 000
    - a) Calculate the inventory (stock) turnover ratio for the year 2010
    - b) If the inventory turnover ratio in 2009 was 5.6 evaluate the results of the year 2010.
  - iv) a) Explain the listing procedure adopted by the Colombo Stock Exchange that should be followed by a public limited company.
  - b) State four advantages of listing in Colombo Stock Exchange for a public limited company.
  - v) A firm has decided to recruit personnel from external sources to fill the existing vacancies discuss the advantages and disadvantages of this decision.
- 08) i) What are the factors which should be considered in preparing a business plan.
  - ii) a) State the functions of an information system.
  - b) What are the component which can be seen in a computer based information system.
  - iii) State financial & non-financial incentives which can be used in motivating employees.
  - iv) You are going to apply for a job in computer field of a bank prepare a C.V.
  - v) What is meant by equity financing and debt financing?  
State-separately the advantages of obtaining capital from each of these financing methods.