



**Provincial Department of Education
Northern Province**



**General Certificate of Education (Adv.Level) Examination
Practice Examination - 2021**

Business Studies II

Grade 13 (2021)

Additional Reading time: 10 Minutes

Time: 3 Hours & 10 min.

Instructions:

- Answer **five** questions selecting at least **two** questions from each part.

Part I

- 01.** Arunmani was an employee working in State Printing Corporation for 20 years. She observed sudden increase in the demand for e-learning and hard copies of educational resources of Zonal Education Offices and private education centers due to Covid-19 pandemic. Arunmani who has self-confidence, retired from her position and started a printing business in the name of 'Vinmeen Printers'. She planned to collect capital from her own saving and from a loan obtained from People's Bank. She appointed four employees who have completed Diploma course in Computer Usage. She obtained the required information for attractive printing designs via internet.
- (i) State four businesses mentioned in the above fact and classify them based on ownership and objective. (04 marks)
- (ii) Write one advantage and one disadvantage which Arunmani can obtain, separately for being a government servant and conducting an own business. (04 marks)
- (iii) (a) State the act under which Arunmani's business should be registered and state the reasons for registration.
- (b) Provide two differences between two business organizations 'Vinmeen Printers' and 'State Printing Corporation'. (04 marks)
- (iv) (a) Provide two opportunities which Arunmani identified and two strengths Arunmani had, to start this business.
- (b) State four stakeholders of 'Vinmeen Printers'. (04 marks)
- (v) Name and explain four ways of improving the entrepreneurial characteristics and skills of Arunmani. (04 marks)
- (Total 20 marks)**
- 02.** (i) (a) Write the business ethics to be followed by a garments industry in the following circumstances.
1. Selling quality goods and services at reasonable prices.
 2. Assuring stability of the business and facing competition successfully
 3. Avoiding financial frauds and misconducts in the business
 4. Protecting rights and responsibilities of employer and employees
- (b) State four unfair trade activities undertaken by the businesses in your area. (04 marks)
- (ii) Covid-19 pandemic has severely affected the working environment of the businesses. As a temporary provision, businesses are promoting 'work at home'. Discuss the advantages and disadvantages of 'work at home'. (04 marks)
- (iii) (a) State four 'essential characteristics' (specific characteristics) of partnership businesses.
- (b) Write short note on the following.
1. Articles of Association
 2. Off-shore companies (04 marks)

- (iv) (a) Write four advantages of franchise business for franchiser.
(b) State the methods of business combinations and amalgamations. (04 marks)
- (v) (a) Provide four advantages which entrepreneurs can obtain by paying attention on environment trends.
(b) Explain the relationship between small businesses and entrepreneurship. (04 marks)

(Total 20 marks)

- 03.** (i) (a) Many small and medium scale businesses fail presently. Propose any four activities to be carried out to make the small and medium scale businesses successful.
(b) State two benefits of unit trusts for investors. (04 marks)
- (ii) (a) State the characteristics of money.
(b) Write the main objectives of Central Bank of Sri Lanka. (04 marks)
- (iii) (a) State two importance of crossing a cheque.
(b) "Customers always get advantages by making electronic transactions." Do you accept this statement? Give reasons. (04 marks)
- (iv) (a) What are the features required for a valid insurance contract?
(b) Explain the following insurance policies.
(1) Product liability insurance
(2) Cash in transit insurance (04 marks)
- (v) The manager of a private business forwarded a message to its employees via e-mail and whats app regarding a meeting to be conducted through zoom on 12th September at 9.00 a.m. and he sent the link also.

State the elements of communication process and provide the examples from the passage. (04 marks)

(Total 20 marks)

- 04.** (i) (a) State four factors to be considered in selecting suitable transportation method.
(b) What do you mean by 'warehousing'? (04 marks)
- (ii) (a) Provide four advantages of using market intermediaries in trade.
(b) State two important changes in retail trade due to Covid-19 pandemic. (04 marks)
- (iii) (a) What do you mean by whole trader?
(b) Name the classifications of foreign trade. (04 marks)
- (iv) (a) Write the institutions which provide the license for the following exports.
1. Jem and jewelries
2. Vegetables, spice and betel
(b) Write the methods of payments in foreign trade. (04 marks)
- (v) E-business activities are carried more at present. Write the procedure of e-business. (04 marks)

(Total 20 marks)

Part II

- 05.** (i) (a) 'Planning includes decision making process.' Explain this statement.
(b) 1. A footwear production company plans to reduce the price, to change package, and to make sales promotional activities to increase its sales. Name the relevant step of decision-making process related to it.
2. Write three factors included in delegation of authority. (04 marks)
- (ii) (a) Aman business produces toys products for children. This business contains production section, sales section, marketing section and financial section. Name the organizational structure relevant to this business organization. Provide two advantages of this type of organizational structure.
(b) Write the three functions included in leading. (04 marks)

- (iii) (a) State four reasons for the necessity of leadership for a business organization.
- (b) Provide four financial motivation methods to induce employees working in a business organization. (04 marks)
- (iv) (a) Briefly explain 'ABC analysis' used as an inventory control.
- (b) Give four reasons as to why layout planning is necessary for a manufacturing business. (04 marks)
- (v) (a) An apparel industry uses Computer Aided Designing (CAD). State four advantages of this technique.
- (b) State four methods of improving productivity of a business. (04 marks)

(Total 20 marks)

- 06.** (i) (a) What do you mean by 'quality control'?
- (b) State four techniques that a business can use for quality control. (04 marks)
- (ii) (a) What do you mean by supply chain in marketing?
- (b) State four components of Holistic marketing concept. (04 marks)
- (iii) Sudha Bakery delivers its bakery products to customers on door-to-door sales basis due to prevailing Covid-19 pandemic and quarantine curfew situations. The bakery delivers the bread at government's control price and other products by adding 20% profit with cost.
- (a) State four marketing mix mentioned above and give examples from the passage.
- (b) Provide four reasons for the importance of marketing mix for successful marketing. (04 marks)
- (iv) (a) Mention four characteristics of a good brand.
- (b) "The basic function of packaging is the protection for the product." However, packaging is used as a marketing instrument. Explain how it functions such. (04 marks)
- (v) Ragulan who plans to initiate a grinding mill in a small scale, faces the problem of financing for his business.
- (a) Describe with examples for what activities he needs finance?
- (b) State what factors to be considered in selecting a suitable method to fulfill those needs. (04 marks)

(Total 20 marks)

- 07.** (i) (a) The basic aim of financial management is to maximize business related value of owners. State the other goals of financial management.
- (b) What do you mean by 'capital budgeting'? State two examples. (04 marks)
- (ii) (a) State what main and important function in financial system of an economy.
- (b) State financial systems included in implementing financial decisions in an economy. (04 marks)
- (iii) (a) Mention four factors affecting the process of recruitment.
- (b) Provide four disadvantages of external recruitment. (04 marks)
- (iv) (a) Provide the advantages of performance appraisal to the employees.
- (b) State four disadvantages of not solving employee grievances. (04 marks)
- (v) (a) Explain the employer-employee relationship.
- (b) State adverse effects of industrial disputes to customers. (04 marks)

(Total 20 marks)

- 08.** (i) (a) Provide one example for the following.
- | | |
|-------------------|---------------------|
| 1. Pictorial data | 2. Statistical data |
| 3. Audio data | 4. Visual data |
- (b) State four criteria used to classify the information. (04 marks)
- (ii) (a) Classify the information system based on usage level.
- (b) Teaching learning process is carried out through online due Covid-19 pandemic. Explain four advantages of online learning. (04 marks)

- (iii) Name any two managerial functions which can use Transactions Processing System in day to day activities of a business and write two transaction processing system for each. (04 marks)
- (iv) (a) What should businesses do to convert a business idea into business opportunity?
(b) What do you mean by business plan?
(c) State two importance of business plan. (04 marks)
- (v) State any four preliminary expenses which can occur before starting a business. (04 marks)

(Total 20 marks)
