

**General Certificate of Education (Ord.Level) Examination, 2018 December**  
**Supportive Seminars For the Students**  
**Rehearsal Paper**

**Entrepreneurial studies I, II**

**Entrepreneurial studies II**

- Answer only five questions including question number one.

01. Read the following incident and answer question (i) to (x).

“Vikasitha is a young person who has passed the G.C.E. (A/L) examination in commerce stream with flying colours in the year of 2016. He is having an idea to commence business by using his ability of creativity without entering the university. He had well studied the environment issues and he is planning to forward an improved new water bottle to the market instead of the disposable plastic bottles which have been scattered here and there after drinking.

According to his plan there is a very thin small bottle made out of clay that can be filled by water. Around that bottle there is a plastic bottle with small holes to cover that bottle. So, the water in the bottle feels as water in a clay pot; and after using them that water bottle can be used again and again. This minimizes the environment pollution and thus he trusts that the consumer can have the opportunity of drinking fresh water.

Answer below mentioned questions regarding the above incident.

- (i) Suggest a name for this innovation.
- (ii) Explain whether planning is needed for this.
- (iii) Name the basic factors of a business plan.
- (iv) Name two institutes from which he should get the assistance to start this business
- (v) State from which institute the technological instructions should be taken for the expected production?

Cash flows of the business which is going to start by Vikasitha is as follows.

For the land	Rs.1,000,000
Buildings	Rs. 500,000
Fixing equipment	Rs. 300,000
Registration fee	Rs. 25,000
For business plan	Rs. 50,000
Other expenses	Rs. 75,000

Expected monthly income

By selling water bottles	Rs.500,000
Deposit for empty bottles	Rs. 50,000

By using the above information;

- (vi) Calculate the value of total non-current assets.
- (vii) Calculate the initial capital needs to start.
- (viii) State the name for the expenses that need to run the day to day business.
- (ix) State four cash out-flows.
- (x) State two cash in- flows.

x 10 = marks 20)

02.

- (i) Explain “business risk” in your words.
- (ii) Write two equalities between the businessman and the entrepreneur
- (iii) Write four advantages for the entrepreneur
- (iv) The ability to create new goods and services is called innovation. State two ways that innovation can be taken place.
- (v) Creativity is a characteristic of creating a success entrepreneur. Write two factors that disturb to creativity.

(2 X 5 = 10 marks)

03. Many innovations have been created by small businesses. Thus they can awake their creative mind and easy to experiment the new products.

- (i) Write four characteristics of small scale businesses.
- (ii) Write two limitations that can affect when running small scale businesses.
- (iii) Write four reasons for the unsuccessful of small scale businesses.
- (iv) State two activities which fulfil by the entrepreneur in the business as the owner.
- (v) State two activities that can be done by the entrepreneur in the business for developing the technological skills in himself.

(2 x 5= 10 marks)

04. All the factors that are in the outside of the business and are affected to the business activities

can be identified as external factors.

- (i) Mention four external business environmental factors.
- (ii) The managers who are belong to the internal business environment is engaging invarious activities of the business. Mention any two such activities.
- (iii) Mention to which business environment that the Dalada Perahara that holds annually is belonged to.
- (iv) Mention the three main business sectors in Sri Lanka at present.
- (v) What is the tool which is spreading rapidly through the new communication technology in Sri Lanka at present?

(2 x 5 = 10 marks)

05.

- (I) Name two including in a promotion plan.
- (ii) Name four methods of taking the information that needs to a market analysis.
- (iii) Mention one combination for each product in the below table.

Product	Substitution
1. Curd	.....
2. Tea, coffee	.....
3. Bottle of soft drink	.....

- (iv) When selecting marketing strategies, marketing mix is very important. What are the main variables in the production mix?

- (v) Mention two non-current assets which directly belongs to the sales and distribution activities of the business.

(2 x 5 = 10 marks)

06.

“Institutes which fulfil the consumer needs and wants using the limited

resources are known as the business organization.’’

- (i) Mention four common characteristics of an organization
- (ii) Name three business organizations in the private sector.
- (iii) Mention four basic characteristics of partnerships.
- (iv) Define term the incorporated companies.
- (v) Name two parties in relation to the franchise business. (2 x 5 = 10 marks)

07. Balances in Purnima’s business as at 01.01.2017 are as follows.

Stock	Rs.40,000	debtors	Rs.150,000
Creditors	Rs.12,000	cash balance	Rs. 18,000

Transactions occurred in January

Sales income	356,000
Purchasing in the month	120,000
Administrative expenses	12,500
Sales expenses	180,000
Financial expenses	8,000
Other expenses	2,000

Closing stock was Rs.23,000 as at 31<sup>st</sup> January.

- (i) Calculate the cash balance as at 31.01.2017 (4 marks)
- (ii) Prepare the document to calculate the result of Purnima’s business as at 31.01.2017. (6 marks)  
(Total 10 marks)