

සියලු ම හිමිකම් ඇවිරිණි / முழுப் பதிப்புரிமையுடையது / All Rights Reserved

ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව
இலங்கைப் பரீட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம்
Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka
ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව
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Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka

අධ්‍යයන පොදු සහතික පත්‍ර (උසස් පෙළ) විභාගය, 2018 අගෝස්තු
கல்விப் பொதுத் தராதரப் பத்திர (உயர் தர)ப் பரීட்சை, 2018 ஓகஸ்ட்
General Certificate of Education (Adv. Level) Examination, August 2018

09.08.2018 / 0830 - 1030

ව්‍යාපාර අධ්‍යයනය I
வணிகக் கல்வி I
Business Studies I

32 E I

පැය දෙකයි
இரண்டு மணித்தியாலம்
Two hours

Instructions:

- * Answer all the questions on this question paper itself.
- * Write your Index Number clearly in the space provided above.
- * Select the correct answers for questions No. 1-30 and write its number on the dotted line given.
- * Write short answers for questions No. 31-50 on the dotted line given.
- * Each question carries two marks.

Index No. :

For Examiner's Use Only

For paper I		Signature	Code No.
Q. Nos.	Marks	1st Examiner	
01 - 30		2nd Examiner	
31 - 50		Addl. Chief	
		Chief	
TOTAL		E.M.F.	

1. What is the correct statement relating to human needs and wants?
 - (1) A person has unlimited needs and limited wants.
 - (2) A businessman can create needs, but cannot create wants.
 - (3) While needs are common, wants may vary from person to person.
 - (4) Some of the examples for needs are love, food, safety and technical education.
 - (5) Selecting a product by a person to satisfy the wants is the need. (.....)
2. A common characteristic **not related** to any organization is
 - (1) usage of resources.
 - (2) fulfilment of human needs and wants.
 - (3) supply of goods and services.
 - (4) existence of profits earning motive.
 - (5) adherence to government policies and regulations. (.....)
3. Which answer illustrates the product classification flow and example for it correctly?
 - (1) Tangible → Goods → Non-durable – Motor vehicles
 - (2) Tangible → Goods → Consumer service – Transportation
 - (3) Intangible → Service → Direct service – Banks
 - (4) Intangible → Goods → Based on usage – Furniture
 - (5) Tangible → Goods → Based on usage – Insurance (.....)
4. Which statement correctly indicates the business environmental forces, factors and their influences?
 - (1) While computer operators of a business are an internal factor, lack of their skills is a threat to the business.
 - (2) While increasing competitors is a threat to a business, it is a force in the immediate external environment.
 - (3) While decreasing foreign exchange rate is an opportunity for exporters, it is a force of immediate external environment.
 - (4) While financial institutions are a force of macro environment, strong competition among them is an opportunity for businesses.
 - (5) While proper communication within the organizational structure is a strength for the organization, it is a force of immediate external environment. (.....)

|See page two

5. Following are some of the benefits gained through consumer protection.

- A - Being able to consume goods equivalent to the value of payment
- B - Being able to gain consumer trust
- C - Being able to minimize product promotion cost
- D - Being able to ensure the standards of the product
- E - Being able to increase sales turnover
- F - Being able to go against trade malpractices

Out of the above, which answer contains the benefits accruing only to a businessman?

- (1) A B C (2) A D F (3) B C E (4) B C F (5) B D F (.....)

6. Nimal and Kamal are running a partnership without a partnership agreement. During the last year, they have obtained a 5% interest on their agreed invested capital as well as loans and Nimal admitted his friend Sunil as a partner on his own wish. Kamal made a request to increase the salary he is currently drawing, by claiming that it is insufficient as a Chief Executive Officer.

As per the above case, how many conditions have been violated by this partnership according to the partnership ordinance?

- (1) 1 (2) 2 (3) 3 (4) 4 (5) None (.....)

7. Which one is **not** a characteristic of a Company Limited by Guarantee?

- (1) Not issuing shares to the public
- (2) Having at least two members
- (3) Not distributing dividends
- (4) Establishing with a profit motives
- (5) Declaring the contributions of each individual member in the Article of Association in dissolving the company (.....)

8. Which one is **not required** to submit to the Commissioner of Cooperative Development when registering a cooperative society?

- (1) Two copies of interim constitution
- (2) The feasibility report of proposed economic activities
- (3) The report of annual general meeting in which the proposal was approved
- (4) The map directing to the location of the society
- (5) Private information of members who signed the application (.....)

9. Sisil has a confidence on his abilities rather than systematic planning and he can initiate and continually operate even a difficult task. He brings novel ideas to achieve organizational goals.

As per above information, the number of entrepreneurial competencies Sisil has, is

- (1) 1 (2) 2 (3) 3 (4) 4 (5) 5 (.....)

10. Some of the reasons causing for the failure of small scale businesses are given below.

- A - high competition
- B - not maintaining accounts correctly
- C - insufficient infrastructure facilities
- D - not recruiting right employees
- E - not focusing on new products
- F - changing production technology in the industry
- G - not analyzing business performance
- H - minimizing government tax concessions

Out of the above, which answer contains only the factors that can be controlled by a small scale entrepreneur?

- (1) ACEH (2) ACFH (3) BCDG (4) BDEF (5) BDEG (.....)

11. Column X shows different types of money and column Y shows certain examples relating to them in the following table.

X	Y
A. Electronic money	1. Treasury bills
B. Near money	2. Gold
C. Currency	3. Demand deposits
D. Bank money	4. Notes and coins
E. Commodity money	5. Credit cards

Select the group that matches the types of money and examples correctly.

- (1) A - 1, B - 3, C - 2, D - 4, E - 5 (2) A - 2, B - 4, C - 3, D - 1, E - 5
 (3) A - 2, B - 1, C - 4, D - 3, E - 5 (4) A - 5, B - 3, C - 4, D - 1, E - 2
 (5) A - 5, B - 1, C - 4, D - 3, E - 2 (.....)

12. Following are certain benefits and facilities available in a commercial bank.

- A - Able to receive interest
 B - Able to deposit cheques
 C - Able to make payments through standing orders
 D - Able to obtain credit cards
 E - Able to get overdraft facilities

From the above, the number of benefits and facilities that can be obtained by a savings account holder is

- (1) 1. (2) 2. (3) 3. (4) 4. (5) 5. (.....)

13. Bandara has obtained a third party insurance for his motor vehicle. While his son was driving this vehicle, it hit a house and damaged both house and vehicle. His son was also injured. According to the above case, insurance claim can be obtained only to

- (1) vehicle. (2) house. (3) son.
 (4) vehicle and house. (5) house and son. (.....)

14. Bimal likes to deliver speeches. His speeches are usually lengthy. He uses very complex words in his speeches and sometimes he insults the people. He presents his opinion very confidently but some information is false. However, his style of speech is attractive.

Based on the above information, how many characteristics of an effective communication has been violated by Bimal?

- (1) 1 (2) 2 (3) 3 (4) 4 (5) 5 (.....)

15. Column X shows certain business operations being performed through electronic means and column Y shows some e-business models in the following table.

X	Y
A. Immigration and Emigration Department accepts applications for passports.	1. B2C
B. M company sells stock of rice to S company.	2. C2C
C. A ticketing agent sells an air ticket to Saman.	3. B2G
D. A company Ltd supplies computers to a State corporation.	4. G2C
E. R sells his own land to D.	5. B2B

Select the group that correctly matches e-business operations and e-business models.

- (1) A - 1, B - 3, C - 2, D - 4, E - 5
 (2) A - 2, B - 4, C - 3, D - 1, E - 5
 (3) A - 3, B - 5, C - 1, D - 4, E - 2
 (4) A - 4, B - 5, C - 1, D - 3, E - 2
 (5) A - 5, B - 4, C - 1, D - 2, E - 3 (.....)

16. Select the **most** correct statement relevant to management and functions of management process.

- (1) Management is the process of implementing a specific solution to a problem.
- (2) Planning is the process of implementing steps to achieve goals and objectives of a firm.
- (3) Organizing is the process of allocating resources to achieve goals and objectives of a firm.
- (4) Leading is the process of influencing employees to achieve goals and objectives of a firm.
- (5) Controlling is the process of correcting deviations between the plan and actual outcomes to achieve goals and objectives of a firm. (.....)

17. Column X shows the steps of decision making and column Y shows associated information of a firm pertaining to those steps in the following table.

X	Y
A. Identifying the problem	1. Establishing a service promotion division
B. Identifying alternative solutions	2. Promoting after sale service
C. Evaluating alternatives	3. Calling suggestions form different parties
D. Selecting the best alternative	4. Being unable to satisfy consumer wants
E. Implementing the decision	5. Analysing given suggestions at a management committee

Select the answer that correctly matches the steps of decision making and associated information.

- (1) A - 1, B - 2, C - 4, D - 3, E - 5 (2) A - 2, B - 1, C - 3, D - 5, E - 4
 (3) A - 4, B - 3, C - 5, D - 2, E - 1 (4) A - 4, B - 2, C - 3, D - 1, E - 5
 (5) A - 5, B - 1, C - 4, D - 3, E - 2 (.....)

18. According to the statement presented by a manager at an exit interview, the main reason caused him to resign from the firm is the mental stress due to inadequate salary, supervising a large number of employees, receiving commands simultaneously from various parties, lack of freedom to take decisions and disbanding of formal authority because of strong informal relations.

As per the above statement, how many weaknesses are related to organizing of this firm?

- (1) 1 (2) 2 (3) 3 (4) 4 (5) 5 (.....)

19. Select the statement which describes 'process layout' correctly.

- (1) Layout based on similar functions or operations
- (2) Layout based on linear flow of production functions
- (3) Layout partly based on flexible flow and partly based on linear flow
- (4) Layout prepared fixing similar and dissimilar machines separately in different cells
- (5) Layout prepared bringing all equipment and auxiliary components to a fixed position where the production is made (.....)

20. Following are some of the expenses relating to stocks.

- | | |
|-------------------------|-----------------------|
| A - Storage expenses | B - Damages to stock |
| C - Insurance fees | D - Inward expenses |
| E - Inspection expenses | F - Security expenses |
| G - Purchasing costs | H - Stock out costs |

From the above, which answer contains the expenses relevent only to the stock holding cost?

- (1) ABCF (2) ABCH (3) BCDE (4) BCFH (5) CDEG (.....)

21. Following are several ideas of managers about the methods which could be followed to increase the productivity.

- | | |
|--|---|
| A - use of new technology | B - introducing participative decision making |
| C - employee pruning | D - minimizing resource waste |
| E - product differentiation | F - curtailing employee welfare expenses |
| G - increasing profit margin of products | |

From the above, what are the methods which are **not** suitable to increase the productivity?

- (1) A B C (2) C D E (3) C F G (4) D E F (5) D F G (.....)

22. As per the view of an Ayurvedic toothpaste producer, his products should contain natural colour, taste, appearance as well as high quality. What is the best marketing concept fitting to this view?

- (1) Production concept (2) Product concept (3) Selling concept
(4) Marketing concept (5) Holistic marketing concept (.....)

23. Following are the methods of calculating some financial ratios.

$$A - \text{Return on investment} = \frac{\text{Net profits after tax} + \text{Interest}}{\text{Fixed assets}} \times 100$$

$$B - \text{Return on equity capital} = \frac{\text{Net profit after tax} + \text{Dividends on preference shares}}{\text{Equity capital}} \times 100$$

$$C - \text{Total assets turnover ratio} = \frac{\text{Sales}}{\text{Total assets}}$$

$$D - \text{Debtors turnover ratio} = \frac{\text{Sales}}{\text{Average debtors}}$$

$$E - \text{Current ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

From the above, the number of ratios which have been calculated correctly is

- (1) 1 (2) 2 (3) 3 (4) 4 (5) 5 (.....)

24. Column X shows certain types of securities traded in Colombo Security Exchange and column Y shows benefits entitled to them in the following table.

X	Y
A. Ordinary shares	1. Able to earn capital gains
B. Preference shares	2. Entitlement of fixed interest rate
C. Share warrants	3. Entitlement to company ownership
D. Corporate debentures	4. Having more protection to investment
E. Government debt security	5. Receiving fixed profit percentage

Select the answer that correctly matches types of securities and benefits.

- (1) A - 1, B - 3, C - 2, D - 4, E - 5 (2) A - 3, B - 2, C - 1, D - 5, E - 4
(3) A - 3, B - 5, C - 1, D - 2, E - 4 (4) A - 2, B - 3, C - 1, D - 5, E - 4
(5) A - 4, B - 5, C - 2, D - 1, E - 3 (.....)

25. Select the **most** correct statement relevant to the human resource management.

- (1) Job design is the division of work of the firm into units for achieving a certain objective.
(2) Job analysis is the systematical study of characteristics of a job.
(3) Job description is the statement which describes the qualifications of an employee.
(4) Job specification is the statement which describes the existing characteristics of a certain job.
(5) Job specification and job description are prepared based on job analysis. (.....)

26. Some of the advantages and disadvantages in recruiting methods of employees are given below.

- A - Motivation of employees B - Easy to retain employees
C - Reduction of recruitment cost D - Able to get new knowledge to the firm
E - Creating a competition among employees F - Able to get a large number of applications
G - Increase in employee commitment H - Increase in employee orientation expenses

Select the answer that contains advantages gained only from internal recruitment from the above.

- (1) A B C G (2) A C D G (3) B C G H (4) C E F G (5) D E F H (.....)

27. The best practical training method that can be used for a trainee as an aircraft pilot is

- (1) lectures and discussions. (2) simulation training. (3) internship training.
(4) role playing. (5) apprenticeship training. (.....)

43. State **four** responsibilities of the consumer.

1. 2.
3. 4.

44. Write **four** facilities available to make the e-payment easy.

1. 2.
3. 4.

45. Write **four** points that should be concerned when writing cheques.

1. 2.
3. 4.

46. Write **four** reasons that have influenced for the growth of international trade.

1. 2.
3. 4.

47. Write **four** reasons why a control process is important to a firm.

1. 2.
3. 4.

48. Write **four** advantages that a producer can obtain by presenting a product to the market with a brand name.

1. 2.
3. 4.

49. Write **four** additional benefits, that an ordinary shareholder gains other than dividends from a company.

1. 2.
3. 4.

50. What is meant by the following symbols?

1. 

2. 

3. 

4. 

සියලු ම හිමිකම් ඇවිරිණි/முழுப் பதிப்புரிமையுடையது/All Rights Reserved]

ශ්‍රී ලංකා විභාග අංකටය: 32 E II
 இலங்கைப் பரீட்சைத் திணைக்களம், Sri Lanka Department of Examinations, Sri Lanka
 Department of Examinations, Sri Lanka

අධ්‍යයන පොදු සහතික පත්‍ර (උසස් පෙළ) විභාගය, 2018 අගෝස්තු
 கல்விப் பொதுத் தராதரப் பத்திர (உயர் தரப் பரீட்சை, 2018 ஓகஸ்ட்)
 General Certificate of Education (Adv. Level) Examination, August 2018

ව්‍යාපාර අධ්‍යයනය II
 வணிகக் கல்வி II
 Business Studies II

32 E II

13.08.2018 / 13 00 - 16 10

පැය තුනයි
 மூன்று மணித்தியாலம்
 Three hours

අමතර කියවීමේ කාලය - මිනිත්තු 10 යි
 மேலதிக வாசிப்பு நேரம் - 10 நிமிடங்கள்
 Additional Reading Time - 10 minutes

Use **additional reading time** to go through the question paper, select the questions and decide on the questions that you give priority in answering.

Instructions:

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

Part I

1. (i) (a) Define the terms needs, wants and products and explain the relationship among them.
 (b) Give **four** main reasons that influenced to shift the production method from direct production to indirect production. (04 marks)
- (ii) (a) New generation is reluctant to get involved in agriculture. Give **four** reasons for this.
 (b) Write **two** specific characteristics of macro environment. (04 marks)
- (iii) Interpret what globalization is and describe **two** positive and **two** negative impacts made by it on local businesses. (04 marks)
- (iv) (a) Interpret what is meant by 'organizational culture'.
 (b) Explain a strength and a weakness of the organizational culture giving an example for each. (04 marks)
- (v) Explain what social responsibility of business is and write **three** reasons for its importance in the present society. (04 marks)
 (Total 20 marks)
2. (i) State **four** factors that a food manufacturer should consider in developing a code of ethics to ensure the quality of products and explain why he should consider those factors. (04 marks)
- (ii) Name **four** parties that can be affected by imposing import tax on agricultural products and write **one** advantage for each party from it. (04 marks)
- (iii) A government intervenes for conducting the businesses successfully in various ways. Mention **four** such intervening methods and describe what a government expects from each method. (04 marks)
- (iv) (a) Briefly explain **four** factors that affect arising of conflicts among partners.
 (b) Government takes actions to provide products needed for public through various types of government organizations. Name **four** types of such government organizations. (04 marks)
- (v) Franchiser and franchisee have a set of activities need to be done. Briefly describe **four** activities that should be done by a franchisee. (04 marks)
 (Total 20 marks)

3. (i) One of your friends prefers to start a business of his own instead of doing a job, but he has a fear for it. State **four** reasons to explain to him the advantages of starting a business than doing a job. (04 marks)
- (ii) Though a country requires many entrepreneurs, only a few emerge. Briefly describe **four** factors for the emergence of a few entrepreneurs. (04 marks)
- (iii) Number of small and medium scale enterprises are greater than large scale enterprises in many countries. Write **four** inherent characteristics of small and medium scale enterprises that caused to increase the number. (04 marks)
- (iv) Financial companies provide a variety of services for the development of businesses. Describe **four** services provided by financial companies to businesses. (04 marks)
- (v) "There are advantages and disadvantages of using e-money." Justify this statement by highlighting **two** advantages and **two** disadvantages of e-money usage. (04 marks)
(Total 20 marks)
4. (i) (a) Provide **four** examples for non-insurable risks.
(b) Sri Lanka Insurance Board has been established to contribute to the development of Insurance industry. State **four** activities performed by this Board. (04 marks)
- (ii) (a) Indicate **four** factors that should be considered when choosing a transport service to transport fruit from Nuwara Eliya to Colombo.
(b) Describe **four** suggestions with reasons that you make to increase transport of goods by train. (04 marks)
- (iii) (a) The management has informed that the feedback of participants for your lecture in the training session held for management assistants on maintaining proper filing system is not at a satisfactory level. State **four** possible weaknesses of your lecture to get such a feedback.
(b) Many organizations use e-mails for communication. State **two** advantages and **two** disadvantages of using e-mails. (04 marks)
- (iv) (a) Traditional retail shops face severe threats from supermarkets. Describe **four** reasons that cause attraction of customers to supermarkets.
(b) Some Sri Lankan businessmen are unable to face the competitiveness in the international market. Write **two** factors for each that a businessman can control and uncontrol for this inability. (04 marks)
- (v) (a) Crossing, 'Not negotiable' does not provide any specific advantage to the drawer. Do you agree with this idea? Give reasons for your answer.
(b) Write **four** factors that influenced the expansion of e-trade. (04 marks)
(Total 20 marks)

Part II

5. (i) (a) "Management is an art of getting work done through others." Explain this definition.
(b) You were a member of the committee appointed to organize the commerce day of your school which was held last week. Describe the management functions by taking **four** examples from the activities that your group performed to conduct the commerce day. (04 marks)
- (ii) (a) State **four** abilities included in the conceptual skills of a manager.
(b) Describe the tasks belong to two sub roles, **leader** and **entrepreneur** in Henry Mintzberg's management roles. (04 marks)

- (iii) A business consultancy firm has proposed a new solar power system and a production automation system to you to minimize production cost. You expect to select one of the alternatives. Describe **four** criteria that can be used to evaluate these alternatives. (04 marks)
- (iv) Name the steps in organizing and briefly describe any **three** of them. (04 marks)
- (v) (a) Explain why layout plan is needed.
 (b) Financial analysis of a business revealed that losses have occurred due to maintaining of stocks unnecessarily. Describe **four** tactics that could be used to minimize such losses in stock control. (04 marks)
- (Total 20 marks)
6. (i) (a) State **four** reasons to indicate why the productivity is important to an organization.
 (b) What is meant by Computer Aided Design (CAD) used as a computer system to increase the productivity in a firm and write **two** benefits of it. (04 marks)
- (ii) Indrapala rented a trade stall from the new year trade fair held in his area and his goods were sold faster than the similar goods sold in other stalls. Describe **four** reasons that could be possible for selling goods in Indrapala's stall quickly. (04 marks)
- (iii) (a) A manufacturer hesitates to use a package for his goods. Write **four** points to encourage the manufacturer to present his goods to the market with a package.
 (b) Write **four** objectives of pricing of goods and services. (04 marks)
- (iv) Businesses use advertising for different purposes. Explain **four** objectives of advertising. (04 marks)
- (v) (a) As the handloom textile business run by Dhanasiri is not very successful, he expects to start a hotel. Indicate **four** ways that he can raise funds for this purpose.
 (b) The acid test ratio of Namal's business is 2:1. Give **four** reasons led to this situation. (04 marks)
- (Total 20 marks)
7. (i) (a) Mention **four** ways that a business can raise working capital.
 (b) Describe **four** advantages gained by a listed company from Colombo Stock Exchange. (04 marks)
- (ii) Describe **four** types of information that should be included in the application to recruit sales assistants to your organization, where you work as a HR manager. (04 marks)
- (iii) (a) In addition to interviews, different types of tests are conducted to select an applicant for a job. Describe **two** types of such tests.
 (b) Write **four** ways that the information in an appointment letter could be categorized. (04 marks)
- (iv) A loss making firm has an idea to reduce its workforce. Briefly describe **four** methods that could be used to reduce workforce. (04 marks)
- (v) Following are some data extracted from a trading account of a firm.

	Rs.	Rs.
Sales		500 000
Opening Stock	80 000	
Purchasing	300 000	
	<u>380 000</u>	
Closing Stock	<u>(120 000)</u>	260 000

Write **four** information that can be obtained by using the above data.

(04 marks)
 (Total 20 marks)

8. (i) (a) Describe what is meant by information management technology.
(b) Describe **four** benefits that a firm can gain by using information technology. (04 marks)
- (ii) (a) A businessman has an idea to use internet for his business activities. Describe **four** ways that he could make his activities of the firm easier by using internet.
(b) State **two** benefits that a firm can gain by using Cloud Technology. (04 marks)
- (iii) What are the main strategies that could be included in the marketing plan of the business plan? (04 marks)
- (iv) Mention **two** factors to explain the importance of preparing a cash flow statement and write **three** items relevant to cash outflow of a business. (04 marks)
- (v) Saman expects to start an animal husbandry in addition to existing business. You have been asked to prepare a project report for that purpose. State, what you include in the summary of this project report. (04 marks)
- (Total 20 marks)

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