



**General Certificate of Education (A/L) Examination – March - 2020**  
**Conducted by Field Work Centre, Thondaimanaru**  
**In Collaboration with**  
**The Department of Education Northern Province**

**Grade – 13 (2020) §2 E I, II      BUSINESS STUDIES      Marking Scheme**

**MARKING SCHEME**

**PART - I**

Question	Answer	Question	Answer	Question	Answer
No	No	No	No	No	No
01.	3	11.	2	21.	5
02.	1	12.	4	22.	3
03.	4	13.	1	23.	3
04.	3	14.	4	24.	1
05.	2	15.	5	25.	5
06.	5	16.	3	26.	1
07.	4	17.	2	27.	2
08.	3	18.	2	28.	4
09.	4	19.	4	29.	5
10.	3	20.	4	30.	1
					(30×2 = 60 marks)
31.					
	a) Fulfilling human needs and wants Adding value to the resources				(2×1½ = 1 mark) (Order is important)
	b) Society Employees				(2×1½ = 1 mark) (Order is important)
32.					
	a) Fiscal policy Increase				(2×1½ = 1 mark) (Order is important)
	b) Having an objective Having individuals				(2×1½ = 1 mark) (Order is important)
33.					
	• Medium of exchange, standard of value for measuring				(2×1½ = 1 mark) (Order is not important)
	• Standard of value, deferred payment				(2×1½ = 1 mark) (Order is not important)

- 34.
- a) Bank loan (2×½=1 mark)  
 Permanent bank overdraft (Order is important)
- b) Contribution (2×½=1 mark)  
 Subrogation (Order is not important)
- 35.
- a) Terminal
- b) Medium
- c) Power
- d) Path/Way (4×½=2 marks)
- 36.
- a) Decision making. Disturbance handler (2×½=1 mark)  
(Order is not important)
- b) Motivation, Leadership (2×½=1 mark)  
(Order is not important)
- 37.
- a) False
- b) True
- c) False
- d) True (4×½=2 mark)
- 38.
- a) Fixed cost, Variable cost (2×½=1 mark)  
(Order is important)
- b) Quality control, Stock control (2×½=1 mark)  
(Order is important)
- 39.
- a) Family, Packaging (2×½=1 mark)  
(Order is important)
- b) Competitors price, demand (2×½=1 mark)  
(Order is not important)
- 40.
- a) Primary share market. Secondary share market (2×½=1 mark)  
(Order is important)
- b) Job description, Job specification (2×½=1 mark)  
(Order is important)
- 41.
- Survival in the market.
  - Sales maximization.
  - Increasing market share.
  - Increasing consumer satisfaction.
  - Maximizing the market value of shares.
  - Personal satisfaction of businessmen.
  - Social and community welfare.

- Employee welfare. (4 × ½ = 2 marks)
- 42.
- Profit generating objectives
  - The existence of the business activity
  - Existence of individuals.
  - Having a mutual relationship (4 × ½ = 2 marks)
- 43.
- Low cost
  - Bank time rush will be decreased
  - Reliability will be decreased
  - Can be minimized the number of employees
  - Profit will be increased due to the expansion of banking services (4 × ½ = 2 marks)
- 44.
- The nature of the message
  - Completeness
  - Correctness
  - Politeness
  - The ability of being understood by the receiver
  - Brevity
  - Certainty (4 × ½ = 2 marks)
- 45.
- The inequality distribution of natural resources
  - Relative cost advantage
  - Retaining a legal monopoly in some countries with regard to some products.
  - Patents and Copyrights
  - Goods promotion
  - Trade barriers being minimized (4 × ½ = 2 marks)
- 46.
- Functional basis
  - Product basis
  - Consumer basis
  - Geographical basis
  - Mixed basis
  - Process basis (4 × ½ = 2 marks)
- 47.
- Total Productivity =  $\frac{\text{Output}}{\text{Input}}$
  - Material Productivity =  $\frac{\text{Output}}{\text{Materials}}$
  - Labour productivity =  $\frac{\text{Output}}{\text{Number of labour hours}}$

- Machinery productivity =  $\frac{\text{Output}}{\text{Number of machine hours}}$  (4 × ½ = 2 marks)

48.

- 1) The Nature of the product
- 2) The nature of the market
- 3) The nature of the demand
- 4) Distribution channels of competitors
- 5) The strengths of producers (4 × ½ = 2 marks)

49.

- 1) The Nature of the product
- 2) The nature of the market
- 3) The nature of the demand
- 4) Distribution channels of competitors
- 5) The strengths of producers (4 × ½ = 2 marks)

50.

- 1) Protect from heat
- 2) Keep tidy
- 3) Do not drop
- 4) Safety food (4 × ½ = 2 marks)

(Total = 50 × 2 = 100 Marks)

## PART - II

01.

1.

- a) Sales maximization  
Profit maximization (2 × 1 = 2 marks)

b)

- Exchange or selling takes place.
- Continuous fittings of CCTV.
- Motivated by profit.
- Has a risk such as threats of competitors, changes in production technologies
- Fulfill human wants.
- An economic activity. (4 × ½ = 2 marks)

2.

- Available at low price.
- Give priority to security.
- Increasing number of households going to work.
- Able to decreasing the number of employees in organizations.
- Any frauds can easily be detected.
- Can easily be ordered and fitted. (4 × 1 = 4 marks)

3.

a)

- According to the nature of the production – Tertiary
- According to the ownership/ proprietorship – Private sector
- According to the goals – Profit seeking
- According to the scale – Small-Medium
- According to the production sector/source of production Service

(4×½= 2 marks)

b) Opportunities –

- Increasing the trend regarding to fit CCTV by businessmen, school and homes.
- Pay more interest on safety. (2×½=1 mark)

Threats –

- Increasing new competitive condition
- Frequent change in designs and techniques of CCTV

(Consider any other suitable answers)

(2×½=1 mark)

4. Advantages –

- Attract more customers.
- Expanding the market.
- Decrease in cost.
- Easy of entering the market.
- Less overhead cost.
- Less number of employees.
- Ability to make transactions for 24/7
- Large space is not necessary.
- Time saving.

(2×1=2 marks)

Disadvantages –

- Initial cost of creating websites is high.
- Consumers have no confidence in continued business.
- Frauds occur.
- Legal problems.
- Problems may occur in payment methods.
- Technical barriers.

(2×1=2 marks)

5. Owner -

- To know if they receive an adequate profit for the money they have invested
- To find about the growth of the business
- To know the market share

Managers –

- To maximize the profit of the business
- To know the growth of the business
- To know the successfulness of the management decisions

Employees –

- To obtain a higher salary
- To obtain a bonus

- To get promotions

Customers –

- To receive quality goods and services
- To see if the responsibilities are fulfilled properly.
- To ensure the existence of the business

Supplies –

- To receive continuous orders
- To collect money back for the goods supplied

Government –

- To collect taxes/ to give tax reliefs
- To improve the employment
- To measure the economic development

(Mention 4 parties:  $4 \times \frac{1}{2} = 2$  marks)

(For reasons:  $4 \times \frac{1}{2} = 2$  marks)

02.

1.

a)

- Respect for human diversity
- Contribute to the protection of human rights.
- Act with equity and provide equal opportunities.
- Contribute to the essential facilities such as education, health and transportation
- Contribute to the social assurance activities
- Contribute to respect and protect cultural diversity
- Contribute to protect law and peace. (4 × ½ = 2 marks)

b)

- Production (2 × ½ = 1 mark)
- Consumption

- Recycle
- Reuse
- Reduce
- Replace (2 × ½ = 1 mark)

2.

a)

- Respecting the elderly people.
- Caring/protecting the elderly people. (2 × 1 = 2 marks)

b)

- Increased trust in the elderly home.
- The elderly can be attracted and cared.
- Being able to be honest by avoiding frauds in accounting methods and finance.
- Can attract the employee and get better service. (4 × ½ = 2 marks)

3.

a)

- The abundance of goods and services in the market.

- Since the increased competition, there is more space for malpractices in the market.
  - Market has become complex with the free trade.
  - The deterioration of society and culture that can happen with globalization.
  - The need for making consumers aware to avoid environmental Pollution.
- (4×½= 2 marks)

b)

- Getting an opportunity to consume products that give a value to the paid money.
  - Being protected from trade malpractices.
  - Since consuming quality goods and services, consumer's health and protection is ensured.
  - Because of the consumer protection, legal cover can be obtained at the time necessary.
  - A suitable environment is raised for consumer to live.
- (4×½= 2 marks)

4.

a)

- Partnership business. (½mark)
- Business Name Ordinance No.6 of 1918 (½mark)

b) Private Limited Company / Public Limited Company.

(1 mark)

- Ability to raise a large amount of capital.
  - Limited liabilities.
  - Having legality.
  - Having long term existence.
  - Ability to assemble top level human resources.
- (4×½=2 marks)

5.

a)

- Ability to acquire a large market niche from the goodwill of the Franchisor.
  - Publicity being convenient because of a popular trade name
  - Ability to get management training from the franchisor
  - Possibility of receiving financial support from the franchisor
  - Ability of obtaining raw materials at a minimum price.
- (4×½= 2 marks)

b)

- Misuse of the business name by the Franchisee.
  - Producing of products in lower quality.
  - To make purchase of goods from unauthorized suppliers.
  - Breach of contractual conditions by the franchisee.
- (4×½= 2 marks)

03.

1.

a)

<b>Entrepreneur - Yatheeshan</b>	<b>Businessman - Nithushan</b>
• Commences a business with his own idea or new concept.	• Commences a business with an existing idea or concept
• The business opponent of the entrepreneur is himself.	• Has other business opponents
• The entrepreneur prepares himself for new business opportunities.	• The businessman is always engaged in his business activities
• Is an innovator	• Is traditionist
• Faces risks	• Engages in activities protectively
• When problems arise, faces them courageously to overcome them.	• Gets discouraged when faced with difficulties

(4×½= 2 marks)

b)

- Self-evaluation
- Training
- Education
- Profiting from experiences

(4×½= 2 marks)

2.

a)

<b>Saving Deposit</b>	<b>Fixed Deposit</b>
• The interest rate is low	• The interest rate is high
• Savings book will be provided	• Fixed deposit certificate will be provided
• Interest is not fixed	• Interest is fixed for a period of time
• Can start with less amount of money	• Can only start with the specific amount of money
• Timeless	• The term is limited
• Can be deposited and redeemed when desired	• Cannot be deposited and redeemed when desired

(4×½= 2 marks)

b)

<b>Bank loan</b>	<b>Bank overdraft</b>
• A specific amount will be received for a specific period	• A different amount will be received for emergencies
• Will be given to a specified reason.	• Not so
• Can be obtained in banks and finance institutions	• Can be only obtained by the current account holders of Commercial Banks
• The interest is low	• The interest rate is high
• Surety is compulsory	• Surety is not compulsory

(4×½= 2 marks)



3.

- |   |                  |   |              |
|---|------------------|---|--------------|
| a) Drawer                               | - J.Jeslydevid   | } | (1 ½ mark)   |
| Drawee                                  | - Bank of Ceylon |   |              |
| Bearer                                  | - U.Sinthujan    |   |              |
| b) Peoples Bank, Vavuniya.....          |                  |   | (½ mark)     |
| c) 003249927 .....                      |                  |   | (½ mark)     |
| d) No, because it's an order cheque.... |                  |   | (½+½=1 mark) |
| e) Special crossing .....               |                  |   | (½ mark)     |

4.

- a)
- Owner' life risk - Life Assurance
  - Fire risk - Fire Insurance
  - Burglary risk - Burglary Insurance
  - Natural Disaster - Natural Disaster Insurance
  - Marine risk - Marine Insurance
  - Losses for other parties - Liability Insurance
  - Motor vehicle risk - Motor vehicle Insurance
  - Losses in transit of goods - Goods transit Insurance
  - Losses in transit of money - Money transit Insurance
- (4×½= 2 marks)
- b)
- To exchange ideas between parties at businesses.
  - To maintain employer employee relationship.
  - To manage human and physical resources well.
  - For marketing promotional activities
- (4×½= 2 marks)

5.

- Regional development due to the arrival of tourists.
  - Direct and indirect job opportunities due to the airport activities.
  - Availability of international market for domestic products.
  - Development in educational opportunities and the activities of research and development.
  - Improving the standard of living of the people due to the development of the infrastructure of the country.
  - Relationship with neighboring countries will be strengthened.
  - Availability of new investment opportunities.
- (4×1= 4 marks)

**04.**

1.

- a)
- Receipt of stocks
  - Identification
  - Inspection
  - Verification
  - Ensuring quality
  - Putting away
  - Retrieving for issue
- (4×½= 2 marks)

b)

- Layout and flow of the building
- Zoning and intensity of use in the warehouse
- Proximity to major linkages
- Material handling capabilities
- Nature of stocked materials.
- Cost

(4×½= 2 marks)

2.

a) Inbound logistics: - The movement of raw material and finished goods from the point of purchase to the point of production. (01 mark)

Outbound logistics: - The movement of supplying the products or relevant information from the end of the production process to the final consumer.

(01 mark)

b)

- Can gain the reliability of consumers by providing the products to the market continuously
- Can minimize the cost through minimizing waste by doing all the activities according to a plan.
- Can face competition firmly
- Can minimize the unnecessary cost relevant to machines and employees
- Can ensure the quality of products
- Problems are not generated due to the proper management of waste
- Can be leaders of the industry

(4×½= 2 marks)

3.

a)

- Sayanthan - Commission agent
- Shangar - Broker
- Sharujan - Del credere agent
- Wildon - Factor

(4×½= 2 marks)

b)

- Not utilize the modern methods in harvest, storage and transport
- Less productivity
- High costs for inputs
- The agricultural organizations are increase the price
- Fixing high prices to compensate the losses
- There are more intermediaries
- Natural reasons such as rain

(4×½= 2 marks)

4.

a)

- Ability to export the surplus of production
- Ability to import products that cannot be manufactured locally
- Ability to earn foreign exchange
- Ability to obtain economic gains

- International trade relations and international co-operation being enhanced and strengthened.
- New technological and management skills being upgraded.
- Becoming a support for economic development

(4×½= 2 marks)

b)

- Customs tax
- Limiting imports
- Limiting exports
- The prohibition of imports/exports
- Trade agreements
- Stringent exchange policies

(4×½= 2 marks)

5.

a) Bill of lading is issued by the shipping company, when the exporter's goods are handed over to ship, if it is an impure bill of lading, the letter of indemnity is issued to the ship captain by the exporter to obtain a pure bill of lading instead of impure bill of lading by accept all the risks regarding the goods by the exporter.

(01 mark)

b) Price inquiry is a document issued by the importer to the exporter to request the price details of the goods; invoice is a document that is sent by the exporter to the importer as a reply for the price inquiry.

(01 mark)

**05.**

1.

a)

- Planning
  - Establishing goals
  - Deciding the date
  - Deciding the places to be visited
  - Deciding the accommodation and food
  - Estimated cost
- Organizing
  - Preparation
  - Identifying tasks
  - Assigning tasks to the groups
  - Financial sponsorship activities
  - Allocating the required resources
- Leading
  - Handling finance
  - Appointing the responsible
  - Making awareness
  - Carrying out the activities with enthusiastically
- Controlling
  - Setting off on time
  - Ending the tour on time
  - Preparing the budget
  - Getting the feedback

(4 × ½ = 2 marks)

b)

- To achieve the goals and objectives of the tour successfully
- To use the limited resources efficiently and effectively
- To respond the dynamic environment successfully
- To face the unexpected barriers
- To face the problems successfully

(4 × ½ = 2 marks)

2.

a)

Information role	-	Disseminator
Decision role	-	Resource allocator
Interpersonal role	-	Leader
Decision role	-	Disturbance handler

(4 × 1 = 4 marks)

3.

a)

- It assists in achieving the goals and objectives of an organization
- It being a base to implement the plans successfully.
- Ability to improve the productivity because of the job specialization comes up from division of work.
- Ability to get the works relevant to the posts done successfully through delegation of authority and responsibilities.
- Ability to get the maximum use of the resources through allocating resources required to perform the functions.
- A co-ordination is created among individuals, groups and departments since directing all organizational activities towards its goals.

(4 × ½ = 2 marks)

b)

- Inappropriate identification of the tasks
- Unsuitable division of labour
- Inappropriate departmentalization
- Delegation of authority is not sufficient
- Unjustified authority
- Complex in unity of command
- Inappropriate span of management
- Inadequate resource allocator
- Inappropriate coordination

(4 × ½ = 2 marks)

4.

- a) An organizational structure is a sketch that is prepared so as to create an inter-relationship among various sections, posts and parts of an organization. Organizational structure is the way that the posts, tasks, authority, responsibilities and accountability are distributed and co - ordinated.

(2 marks)

b)

- Able to know the departments of the organization
- Able to know the way of allocating authority and responsibilities
- Each employee is able to know their work site
- Able to know their work supervision
- Able to know the ways of communication
- Able to know whether the authority is centralized or decentralized
- Able to chain of command (4 × ½ = 2 marks)

5.

a)

- To prepare plans for establishing goals and objectives of an organization
- To organize well the activities of the firm
- To get required information to make decisions
- To manage human resource
- To implement the overall control activities of the firm
- To create a transparency of all the activities of the firm
- Bonding most of the day today activities of managers to communication (4 × ½ = 2 marks)

b)

- Top to bottom - Management decisions  
- Delegation of authority  
- Division of labour  
- Coordination  
- Appreciations / Rewards (2 × ½ = 1 mark)

- Bottom to top - Reporting  
- Employees problems  
- Employees conflicts  
- Job complaints  
- Employees advices (2 × ½ = 1 mark)

06.

1.

a) Page 65 (4 × ½ = 2 marks)

b) Page 109 (4 × ½ = 2 marks)

2.

a) EOQ = 
$$\sqrt{\frac{2DCo}{Ch}}$$
  
= 
$$\sqrt{\frac{2 \times 10\,000 \times 3}{2}}$$
  
= 173 units (1 mark)

b) Profit = 1000 000 – (600 000 + 200 000)  
= 200 000/= (1 mark)

c) Contribution = Selling price unit – Variable cost per unit

$$= 100 - 60$$

$$= 40/= \quad (1 \text{ mark})$$

d) Break Even Point =  $\frac{\text{Total Fixed Cost}}{\text{Contribution per unit}}$

$$= \frac{200\,000}{40}$$

$$= 5000 \text{ units} \quad (1 \text{ mark})$$

3.

a)

- Process layout
- Product layout
- Cellular layout
- Fixed-position layout

(4 × ½ = 2 marks)

b)

- Growth in efficiency in the use of materials and machinery
- Maximum use of the available space
- The cost in making use of materials can be reduced.
- Barriers while handling materials and employees are reduced.
- Reduction in industrial accidents.
- Easy communication, coordination and supervision
- Improved employees' morale
- Time can be managed well

(4 × ½ = 2 marks)

4.

a)

- Geographical factors - Climate conditions
- Demographical factors - Gender
- Psychological factors - Life style
- Behavioral factors - Attitudes of users

(4 × ½ = 2 marks)

b)

- Measurability
- Substantiality
- Accessibility
- Differentiability
- Actionable

(4 × ½ = 2 marks)

5.

a) Target Market :-

The target market refers to the market segment with similar characterized customers that a firm can serve more attractively and profitably from the various characterized customers in the whole market.

(2 marks)

b) Creating a favorable attitude in consumers' mind regarding a good or a service is known as market positioning

(2 marks)

07.

1.

a)

- Ideas – washing the hands before eating
- Events – annual exhibition
- People – comedian
- Experience – giving training to mount climbers
- Places – Sigiriya
- Organizations – body building societies
- Information – ancient data

(Consider other suitable examples)

(4×½=2 marks)

b)

- Increase profit due to increase in sales
- Increase in goodwill of the organization
- Can be compensated the risk in a product by another product
- Can be expanded the market
- Can be minimized the cost of transport and supply
- Can be easily introduced the new products through the popularized trade marks
- Can get several customers

(4×½=2 marks)

2.

- a) The amount of money charged from a customer for a particular good or a service is simply known as the price in marketing. The value agreed to exchange for the benefits and satisfaction enjoyed by the consumer through consuming or receiving of a good or a service can be broadly known as the price. (1 Mark)

The marketing variables other than the price represent the cost of the firm and the price is the only variable generating revenue to the firm.

(1 Mark)

b)

- Survival in the market
- Maximizing current profit
- Maximizing market share
- Maximizing market skimming
- Product quality leadership

(4×½=2 marks)

3.

- a) When the value or the worthiness of an incorporated company is increased, the price of the shares increases. The owners of an incorporated company are its ordinary shareholders. Accordingly, increase of price of ordinary shares indicates the increase in the business-related wealth of the owners.

(2 marks)

b)

- Profit maximization
- Maximizing earning per share
- Establishment of long-term financial stability
- Maintaining the liquidity in an optimum level (4 × ½ = 2 marks)

4.

a)

$$\begin{aligned} 1. \text{ Gross Profit Ratio} &= \frac{\text{Gross profit}}{\text{Sales}} \times 100 \\ &= \frac{4000000}{10000000} \times 100 \\ &= 40\% \end{aligned} \quad (1/2 \text{ mark})$$

$$\begin{aligned} 2. \text{ Net Profit Ratio} &= \frac{\text{Net profit}}{\text{Sales}} \times 100 \\ &= \frac{3000000}{10000000} \times 100 \\ &= 30\% \end{aligned} \quad (1/2 \text{ mark})$$

$$\begin{aligned} 3. \text{ Current ratio} &= \frac{\text{Current Assets}}{\text{Current Liability}} \\ &= \frac{4000000}{10000000} \\ &= 4:1 \end{aligned} \quad (1/2 \text{ mark})$$

$$\begin{aligned} 4. \text{ Inventor turnover ratio} &= \frac{\text{Cost of goods sold}}{\text{Average inventory}} \\ &= \frac{6000000}{10000000} \\ &= 6:1 \end{aligned} \quad (1/2 \text{ mark})$$

- b) Liquidity is good because the Liquidity ratio is 4:1 (1 Mark)  
Inventory Turnover Ratio is 6:1, so the average time of stock turnover is 6 (1 Mark)

5.

- a) The establishment administering the buying and selling of the shares of listed companies is known as the Colombo Stock Exchange. (2 marks)

b)

- Encouraging individuals and institutions for investments.
- Investors can enjoy various benefits by investing through Colombo Share Market.
- Companies get the opportunity to collect a large capital.
- Ability to attract foreign investors to the country.



- The government can collect required fund by selling government securities.
- Creating a value for company shares.
- Increasing the goodwill and the image of companies

(4 × ½ = 2 marks)

**08.**

1.

a)

- Ordinary Shares
- Preference Shares
- Share Warrants
- Corporate Debentures
- Government Debt Securities

(4 × ½ = 2 marks)

b) Direct benefits :-

- Dividends
- Interest
- Capitalization of reserves
- Right issue
- Capital gain

(2 × ½ = 1 mark)

Indirect benefits:-

- An ordinary share holder is entitled to be appointed as a director of the company and also for the voting rights.
- Securities can be used as collaterals when obtaining loans.
- The risk of investing in government securities is low and liquidity is high.
- Capital gains are free from tax.
- Since the shares can be sold at the time of need in the share market, they can be converted into money quickly and they consist of a higher liquidity.
- Entitled for bonus issue.

(2 × ½ = 1 mark)

2.

a) All the activities related to utilization of Human Resource efficiently and effectively so as to ensure the employee satisfaction and development in order to achieve the goals of an organization is known as Human Resource Management.

(2 marks)

b)

- Human resource can think feel understand and react as it is live compared to other resources.
- As human resource makes decisions regarding all the other resources it is the most important and valuable resource.
- Human resource is the vital resource that can be used to obtain long term competitive advantages and to assure the survival of the business.
- Managing human resource is not only a task of HR manager, but also it is the collective responsibility of all other managers of the business.
- Human Resource management is very important for the welfare of the society.

(4 × ½ = 2 marks)

3.

**Job Description**

- Name of the post
- Department
- Nature of the job
- Tasks of the job
- Service conditions
- No. of working hours
- Reporting
- Supervision
- Performance evaluation
- Confirmation of the job
- Name of the post
- Department
- Nature of the job
- Tasks of the job
- Service conditions
- No. of working hours
- Reporting
- Supervision

(4 × ½ = 2 marks)

**Job Specification**

- Educational Qualification
- Professional Qualifications
- Physical Fitness
- Experience
- Specialized Skills
- Linguistic knowledge
- Attitudes and passion
- General Knowledge
- Intelligence Level
- Educational Qualification
- Professional Qualifications
- Physical Fitness
- Experience
- Specialized Skills
- Linguistic knowledge
- Attitudes and passion
- General Knowledge
- Intelligence Level

(4 × ½ = 2 marks)

4.

a)

- Demand for the particular goods or services
- Objectives of the firm
- Production method
- Future retirements of the employees
- Number of employees to be resigned
- Number of employees getting promotions
- Future projects
- Termination of service
- The present and future financial situation of the firm
- Economic, social, legal and political situation of the country

(4 × ½ = 2 marks)

b)

- Ability to determine the future human resources requirements
- Ability to minimize labor cost by identifying excess and deficiencies in a labor and taking necessary actions for them.
- Ability to avoid unnecessary cost that may occur due to sudden recruitments.
- Ability to utilize human resources efficiently and productively.
- Ability to lead the other management functions of the organization in the expected manner.
- For the development of highly competent employees.

(4 × ½ = 2 marks)

5.

a)

- Internal recruitment
- External recruitment

(2 marks)

b) Internal recruitment

- Job positioning
- Skills inventory
- Intranet
- Referrals from employees
- Succession plan

(2 × ½ = 1 mark)

External recruitment

- Through media advertisements (electronic/printed)
- Through internet/web pages for jobs
- Through past employees
- Through educational, professional and vocational institutions
- Through job agencies
- Through professional associations
- Through job fairs
- Through higher educational institutes

(2 × ½ = 1 mark)