



**Provincial Department of Education
Northern Province**



**General Certificate of Education (Adv.Level) Examination
Practice Examination 2019 - March
Business Studies II**

Grade 13 (2019)

Time: 3 Hours

Instructions:

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

Part I

- 01.** (i) Ramanan and Chanthira are siblings and they carried a farm business in Poompukar village and Chanthira sells tasty cakes produced using the eggs from the farm with high quality package to the other businesses.
- State the one human need and one human want that are satisfied by the above business.
 - State the characteristics of business in accordance with above business.
 - State two advantages of Ramanan and Chanthira business to the economy. (04 marks)
- (ii) (a) Task and macro environment forces create opportunities and threats by influencing businesses. Write two examples for the above occasions.
- (b) The cost of oil import increases due to increase in the value of American Dollar against Sri Lankan currency.
- What is the business environment force in the above statement?
 - State two other forces included in the business environment you named above (i). (04 marks)
- (iii) State the four parties who are interested in a school canteen and mention two reasons for each for their interest. (04 marks)
- (iv) (a) State two advantages that are obtained by a garments factory by following its ethics related to human resource.
- (b) State four activities that should be undertaken by business to achieve socio-economic sustainability. (04 marks)
- (v) (a) Explain the necessity of maintaining a good relationship between government and business using an example.
- (b) Name four state organizations functioning to protect the consumer rights in Sri Lanka. (04 marks)
- (Total 20 marks)

- 02.** (i) (a) State two examples for how the fiscal policy of government influences the businesses.
- (b) State four reasons for increase in consumer protection of at present. (04 marks)
- (ii) Compare the sole proprietorship and partnership businesses on the following bases.

Bases	Sole proprietorship	Partnership
1. No. of members		
2. Liability		
3. Decision making		
4. Dissolution		

- (iii) (a) Show the types of companies using a flow chart under the companies act No. 7 of 2007.
- (b) The cooperative societies that were famous in Sri Lanka are nowadays at backward condition. State four reasons for this backward condition. (04 marks)

- (iv) (a) "Facing uncertainty is entrepreneurship". State four importance of entrepreneurship.
 (b) State four factors that are required for the development of entrepreneurship in a country. (04 marks)
- (v) (a) State four contributions of small medium scale businesses for the development of the economy of a country.
 (b) State four non-financial incentives provided by government for the development of small medium scale businesses. (04 marks)
- (Total 20 marks)

- 03.** (i) (a) All the conditions that are fulfilled by legal money are not fulfilled by near money.
 (b) Explain the statement.
 1. Real Time Gross Settlement System
 2. Interbank Payment System in Sri Lanka (04 marks)
- (ii) (a) Small scale trader Akamad have an intention to purchase a motor vehicle to carry out his business activities. But his friend David advised him that it was better to purchase a motor vehicle on lease basis than paying cash immediately. Do you agree with the statement of David? Explain your answer with three reasons.
 (b) State two factors that differentiate the bank loan and bank overdraft. (04 marks)
- (iii) (a) Priyanthan maintains his current account at BOC, Mannar branch. He paid cheque Rs. 75 000 to his creditor Ragulan. State the following from above statement.
 1. Drawer
 2. Drawee
 3. Payee
 (b) State four parties related to electronic payment system. (04 marks)
- (iv) (a) Arjunan insured his motor vehicle worth Rs 1000000 to an insurance company for the same amount. Loss was occurred at value Rs. 300 000 due to an accident and a minor injury was caused to the persona Kanthan who had a walk in the road.
 State the following in relation to above statement.
 1. The first party
 2. The second party
 3. Third party
 4. The compensation that can be obtained by Arjunan
 (b) It is important to make a liability insurance by businesspeople when carrying out business activities. Introduce liability insurance and mention two liability insurance under that. (04 marks)
- (v) (a) What is the reason for why a business expects feedback in communication.
 (b) Give the importance of efficient communication. (04 marks)
- (Total 20 marks)
- 04.** (i) (a) Give four suggestions to improve the efficiency of highway transportation system of Sri Lanka.
 (b) Give four advantages of logistic services. (04 marks)
- (ii) Market intermediaries are important from producing goods until the goods are consumed by the final consumer. Name the market intermediaries related to this process and write three advantages of using intermediaries to producer and customer separately. (04 marks)
- (iii) (a) State four reasons for the foreign trade.
 (b) Write short notes on the following
 1. War fingers receipt
 2. Import entry (04 marks)

(iii) (a) Maintaining efficient inventory control is necessary to carry out production activities continuously.

Name four inventory control methods that can be maintained by a business.

(b) Write short notes for the following.

1. Computer Intergraded Manufacturing (CIM)

2. Quality standard

(04 marks)

(iv) (a) Marketing process is built by core concepts. Of which, explain the relationship between needs, wants and demand.

(b) Many products are used to satisfy our needs and wants. Goods can be offered in different ways. Under which of those types following goods can be categorized.

1. Mr. bean

2. International trade fair

3. Sigiriya

4. Red Cross Society

(04 marks)

(v) Sutha conducts a bakery business. He makes bakery products as given below.

Bread items	Normal bread	Slice bread	Sweetened bread	
Bun items	Included with sugar sampol	Included with margarine	Included with vegetables	Included with non-veg
Cake items	Decorated cake	Egg cake	Vegetable cake	

Answer the following according to the above information.

1. Explain product mix

2. Length

3. Width

4. Depth

5. Consistency

(04 marks)

(Total 20 marks)

07. (i) It is difficult to survive in the market for long period. Define market positioning and state ways of positioning.

(04 marks)

(ii) (a) Define the term 'trade mark' and state under which act should it be registered?

(b) State four instances where promotion is important for businesses.

(04 marks)

(iii) (a) Packaging is very important at present for the products. State the factors that should be consider when planning a package.

(b) Mention four marketing mix in the point of view of consumer.

(04 marks)

(iv) Arun have an intention to start a garment factory in the name of Smart company ltd. He asks you to suggest financial requirements and the ways of getting finance.

(a) Find the financial requirements of Arun company and categorize them as long term and short term financial requirements.

(b) State four external sources of finance relevant for Arun's company.

(04 marks)

(v) Reji returned the country after working abroad for 10 years. He wishes now to invest his saving Rs. 1000 000 in share market.

(a) State four advantages that can be received by Regi by investing in Colombo Share Market.

(b) State two indices that can be used by Regi to analyze the performance of share market.

(04 marks)

(Total 20 marks)

- 08.** (i) (a) A company which produces wooden furniture, requires additional fund to expand the business. The company has to decide whether to collect the fund required by equity capital, debit capital or both. Assuming that you are the financial manager, explain the facts how you have to consider in fulfilling financial requirements. take decisions to
- (b) State four financial ratios. (04 marks)
- (ii) State four components of financial system and give two examples for each. (04 marks)
- (iii) (a) Give the special characteristics of human resource in comparing with other resources.
- (b) What do you mean by job analysis? (04 marks)
- (iv) There is a vacancy for finance manager in a business. Management considers it is better to recruit from outside than recruiting from inside. State favorable and unfavorable arguments for the decision. (04 marks)
- (v) Prepare a job description for the position of account clerk. (04 marks)
- (Total 20 marks)
