

JUNIOR LYCEUM FINAL EXAMINATIONS 2000

Educational Assessment Unit - Education Division

FORM 4

BUSINESS STUDIES

Time: 1h 30min

Name: _____

Class: _____

ANSWER ALL SECTIONS

SECTION A

(15 Marks)

Underline the correct answer.

1. **Which department is responsible for employing the right people and dismissing unsuitable workers?**
 - a) finance
 - b) marketing
 - c) personnel
2. **As a means of exchange, barter requires**
 - a) money
 - b) a wide selection of goods
 - c) a double coincidence of wants
3. **The board of directors of a public corporation are appointed by:**
 - a) taxpayers
 - b) a government minister
 - c) shareholders
4. **Tom buys a computer costing LM900. With the money he could have bought instead a motor cycle which he badly wants. The opportunity cost of the computer is**
 - a) the motor cycle
 - b) LM900
 - c) Saving money
5. **Our economic system is usually described as:**
 - a) mixed
 - b) underdeveloped
 - c) planned
6. **The capital of a limited company is provided by the**
 - a) shareholders
 - b) partners
 - c) government
7. **The word 'limited' at the end of a firm's name means**
 - a) capital is limited
 - b) shareholders can lose only their investment and not personal possessions as well
 - c) shareholders cannot lose the money they have paid for their shares.
8. **Which of the following is the most essential characteristic of money?**
 - a) durability
 - b) portability
 - c) acceptability
9. **Which of the following is the most profitable stage in a product's life cycle?**
 - a) launch
 - b) maturity
 - c) decline

10. **The aim of paying workers by piece rate is to**
 a) encourage employees to produce as much as possible in the time available
 b) encourage workers to produce work of a higher standard
 c) to encourage more team work
11. **Extra rewards such as free transport, for employees, in addition to pay are called**
 a) bonus
 b) fringe benefits
 c) commission
12. **A private business can be taken over by the government. This process is called**
 a) Amalgamation
 b) Nationalisation
 c) Privatisation
13. **Which of the following are NOT owners of a limited liability company?**
 a) ordinary shareholders
 b) debenture holders
 c) preference shareholders
14. **Job production means producing**
 a) a single product from start to finish according to a customer's specification
 b) large amounts of identical products continuously
 c) products in lots, with a complete lot being finished before starting the next lot.
15. **Franchising allows a business**
 a) to buy the right to copy the product or technique of another
 b) to borrow money to set up a business
 c) to increase production

SECTION B
Case Study 1

Northern Timber
 Plantations Ltd.

(20 marks)

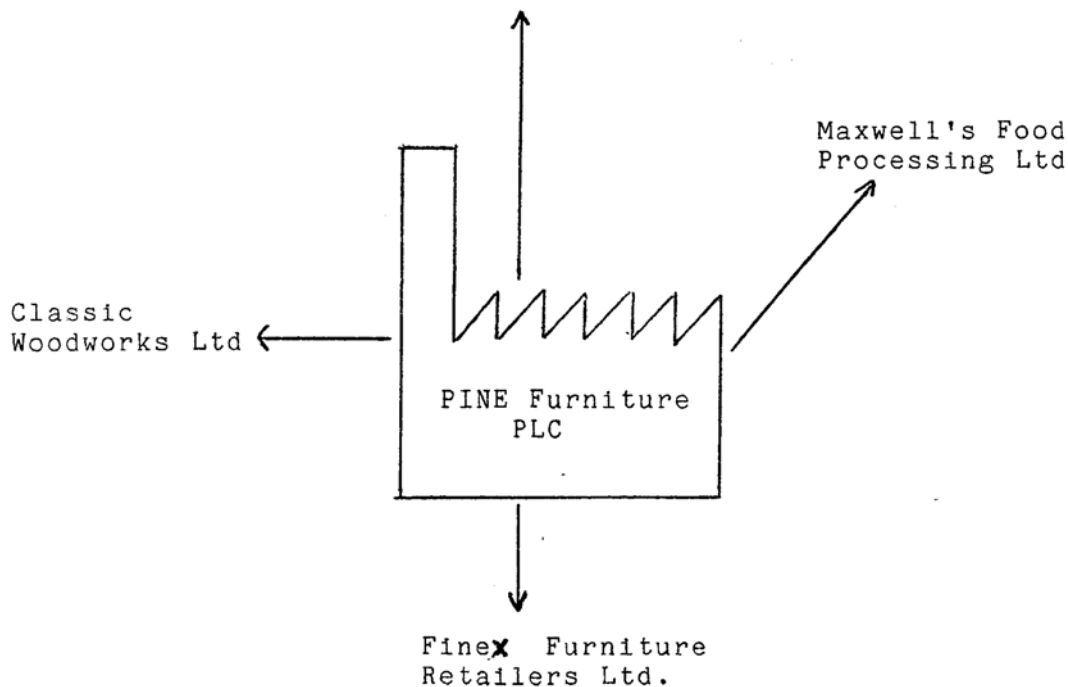


Fig. 1

The above figure shows how a firm can merge with other businesses to form a new and larger business. Look carefully at Figure 1 and then answer the following questions.

1. Distinguish between internal growth and external growth of a business (4 marks)
2. With particular reference to Figure 1, what type of integration would take place when Pine Furniture PLC merges with
 - (a) Classic Woodworks Ltd
 - (b) Northern Timber Plantations Ltd
 - (c) Maxwell's Food Processing Ltd
 - (d) Finex Furniture Retailers Ltd (4 marks)
3. Give one advantage from which Pine Furniture PLC would benefit from in each case. (4 marks)
4. Mention two reasons why some mergers can be detrimental to consumers. (2 marks)
5. Explain briefly the meaning of
 - (a) internal economies of scale
 - (b) External economies of scale. (4 marks)
6. Give two reasons why despite fierce competition from larger firms, small firms continue to exist. (2 marks)

Case Study 2

(20 marks)

Julian Farrugia, who had just finished Form V last summer, managed to find a job in a holiday-resort situated at Bugibba. He spent the summer months working as a waiter in this hotel but he was made redundant at the end of summer.

1. Give reasons why workers may be made redundant (2 marks)
2. Mention three other methods of ending employment beside redundancy. (3 marks)
3. What is the type of unemployment experienced by Julian called? (1 mark)
4. Describe two other types of unemployment. (4 marks)
5. Mobility of labour is one solution for reducing unemployment. Explain the following terms:
 - (i) Geographical mobility of labour
 - (ii) Occupational mobility of labour (2 marks)

Julian Farrugia started registering for work and sought assistance from the Employment and Training Corporation at Hal-Far. Subsequently he managed to find a job as an accounts clerk with a local manufacturing firm. He was asked to attend for an induction training course for newly recruited workers. After a few months, Julian was offered to sign a contract of employment.

6. Give two major functions of the E.T.C.? (2 marks)
7. Mention at least three details which are included in a contract of employment. (3 marks)

8. a) Which department is responsible for the organisation of the induction course. (1 mark)
b) Mention the main purpose of an induction course. (2 marks)

SECTION C – Choose five (25 marks)

Carefully distinguish between the following terms:

- a) Direct and Indirect Taxation
- b) Job Description and Job Specification
- c) Field and Desk Research
- d) Ordinary and Preference Shares
- e) Informative and Persuasive Advertising
- f) On the job and off the job training
- g) Internal and External communication

SECTION D – Choose one of the following

Essays (20 Marks)

- 1. a) What is the difference between specialisation by process and specialisation by product? (6 marks)
b) Discuss the advantages and disadvantages of the division of labour (14 marks)
- 2. a) What are the main aims of a Trade Union? (10 marks)
b) What type of industrial actions (restrictive practices) can a trade union take during an industrial dispute. (10 marks)
- 3. What factors must an entrepreneur take into consideration before deciding where to set up a business? (20 marks)

4. a) Distinguish between the following:
- (i) visible and invisible trade (4 marks)
 - (ii) Balance of Trade and Balance of Payment on current account. (6 marks)
- b) What are the advantages of International Trade? (10 marks)