

JUNIOR LYCEUMS FINAL EXAMINATIONS 2000

Educational Assessment Unit – Education Division

FORM 5

BUSINESS STUDIES

Time: 1hr 45min

Name: _____

Class: _____

Section A ANSWER ALL QUESTIONS BY UNDERLINING
THE CORRECT ANSWER

1. External communications are
 - a) messages exchanged outside a building
 - b) messages between the various levels of a firm
 - c) messages that a firm sends to other firms or people

2. When a firm increases its production it benefits from economies of scale because
 - a) its unit cost decreases
 - b) its total costs of production decrease
 - c) its total fixed costs decrease

3. Delegation is
 - a) giving a subordinate authority to do a job
 - b) a group of people
 - c) the different levels of authority

4. Inventory is
 - a) the ability of workers to invent work
 - b) the stock of either raw materials or finished goods
 - c) transportation of goods

5. Economically active people are
 - a) available for work
 - b) employed
 - c) unemployed

6. A firm using existing sources of information to research its market is involved in
 - a) desk research
 - b) field research
 - c) primary data

7. A profit/loss account shows a summary of the firm's
- a) assets and liabilities
 - b) expenses and losses
 - c) creditors and debtors
8. Which of the following is not an internal source of finance
- a) selling assets
 - b) leasing
 - c) sales and lease back
9. The job title, job location and the duties of a post will be found in the
- a) curriculum vitae
 - b) job specification
 - c) job description
10. Centralisation means
- a) decisions are taken by representatives of different branches around a table
 - b) important decisions of each branch are taken solely by each individual branch manager
 - c) decisions for all branches are taken by head office

(20 marks)

SECTION B ANSWER FOUR QUESTIONS FROM SECTION B ON THE FOOLSCAP PROVIDED.

1 a) Give two examples of variable costs (2 marks)

b) Give two examples of fixed costs (2 marks)

c) What do you understand by the term breakeven point? (2 marks)

d) What is a 'budget'? (2 marks)

e) The following information relates to the balance sheet of a sole trading business. Prepare a balance sheet as at 31 December 1999, calculating the capital as necessary. Pay particular attention to the balance sheet layout.

Fixed Assets	Lm 10 000
Current Assets	5 000
Depreciation on fixed assets	2 000
Long term liabilities	3 000
Current liabilities	1 000

(8 marks)

f) Calculate the working capital ratio. (2 marks)

g) Give one difference between a loan and an overdraft. (2 marks)

- 2 A local commercial bank is advertising its services. One of these services refers to PC Banking.
- a) Define PC Banking. (2 marks)
 - b) List four other bank services. (4 marks)
 - c) Explain briefly each of the above four bank services. (8 marks)
 - d) Name 3 commercial banks operating in Malta. (3 marks)
 - e) Which bank controls all the other commercial banks? (3 marks)
3. Advertising is important but expensive.
- a) Mention 4 advertising media. (2 marks)
 - b) List 2 reasons why branding is important to manufacturers. (2 marks)
 - c) By means of a diagram explain the product life cycle. Label as necessary. (4 marks)
 - d) Give 2 reasons why you think advertising is expensive. (2 marks)
 - e) If you were to advertise your school on a local radio station, which four things would mention in the advertisement? (1½ each – 6 marks)
 - f) Why is it important for the marketing department to identify a market segment before embarking on an advertising campaign? (4 marks)

4 **WRITE A SHORT PARAGRAPH** (about ten lines) on any four of the following.

- a) Specialisation
- b) Pricing decisions
- c) Consumer protection
- d) Limited liability companies
- e) Import restrictions
- f) Recruitment and selection of workers

(5 each - 20 marks)

5 **WRITE AN ESSAY** (not less than 300 words) on any one of the following.

- a) The mixed economy
- b) Disadvantages of the barter system
- c) Channels of distribution
- d) Privatisation

(20 marks)