

JUNIOR LYCEUMS ANNUAL EXAMINATIONS 2001
Educational Assessment Unit - Education Division

FORM 4

BUSINESS STUDIES

TIME: 1hr 30mins

Name: _____

Class: _____

Answer all Sections

Section A

(15 marks)

Underline the correct answer.

1. Which of the following is best described as a capital good?
 - a. a dishwasher used at home
 - b. a dishwasher in a restaurant
 - c. a personal computer
2. Which of the following is a tertiary worker?
 - a. shopkeeper
 - b. furniture maker
 - c. fisherman
3. Which of the following is Most Important for bartering to take place?
 - a. goods bartered are easily carried
 - b. goods bartered can be stored
 - c. a double coincidence of wants
4. A man-made factor of production which is used to produce goods and services is known as
 - a. capital
 - b. labour
 - c. land
5. Choice is a basic economic activity because
 - a. resources are scarce
 - b. wages are too low
 - c. money is scarce
6. Mr. and Mrs. Borg have saved Lm1,000 since Christmas. They hoped to use the money to go on holiday but the roof of their house has started to leak. They decided to repair the roof.
The opportunity cost of their choice is
 - a. Lm1,000
 - b. the holiday
 - c. a diamond ring for Mrs. Borg
7. A private company does not have
 - a. its board of directors elected
 - b. its shares bought and sold on the Stock Exchange
 - c. limited liability

- a. On the basis of the above information calculate
- i. The Balance of Trade
 - ii. Balance of Payments on Current Account (4 marks)
- b. Classify the following items as
- i. visible exports
 - ii. invisible exports
 - iii. visible imports
 - iv. invisible imports in Malta's balance of payment
1. A Maltese patient treated in a hospital in England
 2. A German tourist hires a car while on holiday in Malta
 3. A Maltese housewife buys a bottle of wine made in Italy
 4. Malta sells potatoes to Holland (4 marks)
- c. Comment on Country's X's balance of payment situation (surplus/deficit) and suggest two measures of protectionism that the government of Country X might adopt to improve it (4 marks)
- d. Besides improving the Balance of Payment give two other reasons why a government interferes with free trade. (4 marks)
- e. A firm sells its products both at home and in many countries abroad. Mention two problems that the foreign sales department does has, which the home sales department does not. (4 marks)

Case Study 2

(20 marks)

Gilju Barbara, a former dockyard worker, retired from work at age 61.

- a. Mention two other reasons how workers can end their employment. (2 marks)
- b. List four important details that are included in a contract of employment. (4 marks)

Before terminating his employment, Gilju was asked to train new workers who were going to replace him.

- c. Distinguish between 'on the job training' and 'off the job training' (4 marks)
- d. Which department is responsible for staff recruitment, training and termination of employment? (1 mark)

Gilju Barbara, while employed, was a member of a trade union. He was also the shop-steward of his section.

- e. Mention two major areas which trade unions try to negotiate with employers for the benefit of their members. (2 marks)

- f. What is the role of a shop steward? (1 mark)
- g. What is the difference between a general union and a white-collar union? Give one local example of each type of union. (4 marks)
- h. Indicate two industrial actions that a union might take in order to force management while in industrial dispute. (2 marks)

Section C – Choose FIVE

(25 marks)

Carefully distinguish between the following terms:

- Market Economy and Planned Economy
- Specialisation by product and Specialisation by Process
- Arbitration and Conciliation
- Occupational Mobility and Geographical Mobility
- Frictional Unemployment and Structural Unemployment
- Job Production and Flow Production
- Democratic Management and Autocratic Management
- Ordinary Shares and Preference Shares

Section D – Choose ONE of the following

(20 marks)

- Mention and explain two reasons why a firm would want to grow in size. (4 marks)
 - Distinguish between internal growth and external growth of a firm. (4 marks)
 - Distinguish between a merger and a takeover. (4 marks)
 - Discuss the different forms of integration in which a firm can achieve internal growth (8 marks)
- Carefully distinguish between a public limited company and a public corporation as regards objectives, ownership and control. (10 marks)
 - What do you understand by the term 'privatisation'. Discuss the advantages and disadvantages of privatisation. (10 marks)
- Describe in some detail the main elements of the marketing mix? (8 marks)
 - How can a firm carry out Market Research? (5 marks)
 - Draw a diagram and explain briefly the different stages in a product's life cycle. (7 marks)
- Name the three levels of needs identified by Abraham H. Maslow. Describe ways in which a firm can help an individual meet these needs. (6 marks)
 - Discuss the merits of the various payment systems used at the place of work to motivate workers. (10 marks)
 - What are fringe benefits? Give examples. (4 marks)