

JUNIOR LYCEUM ANNUAL EXAMINATIONS 2002

Educational Assessment Unit – Education Division

FORM 4

BUSINESS STUDIES

TIME: 1hr 30mins

Name: _____

Class: _____

SECTION A: UNDERLINE THE CORRECT ANSWER

1. Four essential ingredients in the process of communication are:
 - a. message, receiver, channel, agenda
 - b. transmitter, message, medium, receiver
 - c. product, price, promotion, place

2. Which of the following would be classified as an industrial action?
 - a. trade unions, demarcation dispute, strike, sit-in
 - b. collective bargaining, strike, arbitration, conciliation
 - c. overtime ban, go slow, strike, work to rule

3. An argument in favour of nationalisation is:
 - a. to take a monopoly out of public ownership
 - b. to reduce possible duplication of equipment
 - c. to lead to inefficiency and bureaucracy

4. The chain of distribution for home trade includes the:
 - a. producer, wholesaler, retailer, consumer
 - b. importer, exporter, wholesaler, transporter
 - c. producer, manufacturer, entrepreneur, retailer

5. Fiscal policy as a means of economic policy relates to:
 - a. rates of interest and dividends
 - b. growth and development
 - c. taxes and government spending

6. How would you explain the direction of growth when a quarry owner joins his business with that of a building-contractor?
 - a. vertical integration
 - b. horizontal integration
 - c. conglomerate integration

7. Informative advertising:
 - a. requires the consumer to inform the producer what he/she desires
 - b. gives detailed information about the good/service, and leaves it up to the consumer to decide what to buy
 - c. persuades the consumers to buy a product whether they need it or not

8. Controls on a business can be in the form of:
 - a. legislation and pressure groups
 - b. advice and consumer groups
 - c. employment law and government aid

9. How would you describe the termination of an employment due to the fact that the particular skills of that employee are no longer required?
- resignation
 - dismissal
 - redundancy
10. During an interview, the interviewee should not:
- answer briefly with a “yes” or “no” only
 - dress properly and have some questions about the job
 - be polite and sure of himself/herself

(20 marks)

SECTION B: ANSWER ALL THE QUESTIONS IN THIS SECTION

Case Study 1

In a small, primitive village, one of the traders has a surplus of hides which he intends to exchange with another trader for some kilos of vegetables.

- What would you call this system of exchange? (2 marks)
- This system seems easy, but in reality it is associated with a number of problems. List and briefly explain **four (4)** disadvantages that this kind of exchange is likely to have. (8 marks)
- Mention **two (2)** items that were used as money when notes and coins were not yet available. (2 marks)
- For something to be considered as money, it must have certain qualities. List **two (2)** of these characteristics. (2 marks)
- Describe **three (3)** functions of money. (6 marks)

Case Study 2

The management of a particular firm was discussing whether to change the present remuneration system of a section of workers within their firm, from that of “time rate” to that of “piece rate”. The advantages and disadvantages of both systems were discussed.

- Distinguish between the system of: (i) “time rate” and (ii) “piece rate”. (4 marks)
- Why would management prefer to switch to the “piece rate” system? (4 marks)
- What name is given to the remuneration system whereby workers are paid a set rate of pay per week/month, based on a standard number of hours? (2 marks)
- Another payment system is based on the value of sales. What is this payment called? (2 marks)
- In addition to wages/salaries, some firms offer other kinds of financial rewards in the form of “fringe benefits” or “perks”. By means of, at least, two examples, illustrate the meaning of “fringe benefits”. (4 marks)
- Besides financial compensation for work, there are “ non-financial incentives.” Discuss two of these “non-financial incentives”. (4 marks)

Case Study 3

- a. A teacher was explaining to her students about international trade and as soon as the explanation was over, it was decided that she should dictate a note on the lesson in question. However, some workers were doing some noisy work outside and the students could not hear all the words that the teacher was saying. Can you help them to fill in the gaps in their notes by the words provided hereunder?

Currency, exports, invisible, stable, shortages, customs, specialise, imports, standards, visible.

“International trade allows nations to _____ on a large scale and contributes to a general increase in living _____ as total world production rises. In foreign trade, there is a two-way process – a nation sells or _____ some of its own products to other countries and in return buys or _____ from these countries. If what is being traded is a good, then one refers to the process as _____ trade, whereas when what is being traded is a service, the term applied is _____ trade.

The importance of international trade includes:

- *Availability of commodities which are not produced at home. In the case of local _____ supplies are brought from elsewhere, so prices are kept more _____.*
- *Through foreign trade, the country selling the products can earn foreign _____.*
- *More jobs are created at the _____ and ports. (10 marks)*

- b. **Firms involved in foreign trade usually meet some difficulties in having to send their products abroad. Discuss at least five of the problems they might encounter.** (10 marks)
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SECTION C: CHOOSE ONE OF THE FOLLOWING TOPICS AND WRITE ABOUT IT

- a. A sole trader decided to expand his business and form a partnership. Explain what is meant by “partnership”, highlighting all its properties. Furthermore, discuss the advantages and disadvantages of turning the business into a partnership.

- b. “Banks provide various services to the businessman”. Discuss.

- c. Choice and Opportunity Cost. (20 marks)