

JUNIOR LYCEUM ANNUAL EXAMINATIONS 2003

Educational Assessment Unit – Education Division

FORM 3

BUSINESS STUDIES

TIME: 1hr 30 min

Name: _____

Class: _____

Answer ALL sections

SECTION A

(10 marks)

Answer **all** questions in this section.

Tick the correct answer in the space provided.

1. A resource is
 - (a) anything used by a firm for production. ☐
 - (b) the money needed by a firm for production. ☐
 - (c) also called the fixed capital of the firm. ☐

2. The main difference between a **public limited company** and a **private limited company** is that
 - (a) a public limited company is owned by the state while a private limited company is privately owned. ☐
 - (b) a public limited company must hold an annual general meeting while a private limited company may not. ☐
 - (c) a public limited company can sell shares on the Stock Exchange while a private limited company cannot. ☐

3. A firm is an organisation that
 - (a) provides tangible goods only. ☐
 - (b) tries to make profit only. ☐
 - (c) provides goods and services. ☐

4. A **want** refers to anything that
 - (a) people should always have. ☐
 - (b) people would like to have. ☐
 - (c) is necessary for our living. ☐

5. In a **Centrally Planned Economy**
- (a) the government does not make economic decisions. ☐
 - (b) only what the people would like to buy is produced. ☐
 - (c) all economic decisions are made by the government. ☐
6. The **primary sector** may also be called
- (a) the extractive sector. ☐
 - (b) the manufacturing sector. ☐
 - (c) the essential factor. ☐
7. One of the roles of a **cost accountant** is to
- (a) deal with the actual income and expenditure of the firm's departments. ☐
 - (b) keep a record of what the firm has spent and earned during the year. ☐
 - (c) calculate the costs of the products and services produced by the business. ☐
8. The **Research and Development Department**
- (a) tries to develop the skills of machine operators employed by the firm. ☐
 - (b) comes up with ideas to improve the performance of the product. ☐
 - (c) tries to find new methods how to advertise the firm's products. ☐
9. Which of the following departments is responsible for the recruitment of workers?
- (a) The Finance Department. ☐
 - (b) The Human Resources Department. ☐
 - (c) The Marketing Department. ☐
10. In the growth stage of the Product Life Cycle, a product
- (a) experiences a rapid increase in the sales. ☐
 - (b) requires no further marketing activity. ☐
 - (c) would have reached maximum market share. ☐

SECTION B
(20 marks)

Answer all questions in this section on the foolscap provided.

1. Mention the four (4) basic elements of the communication process. (4 marks)

2. Link the following activities with the sector of production they belong to:
 (a) retailing
 (b) carpentry
 (c) fishing
 (d) plumbing (4 × 1 mark)

3. Define **autocratic style of management** and **democratic style of management**. (4 marks)

4. What do you understand by **Memorandum of Association** and **Articles of Association**? (4 marks)

5. Briefly define the following terms:
 (a) Just-in-time
 (b) Periodic Stock Control
 (c) Re-order level
 (d) Minimum Stock Level (4 marks)

SECTION C
(40 marks)

Answer **both** questions in this section on the foolscap provided. Both questions carry equal marks.

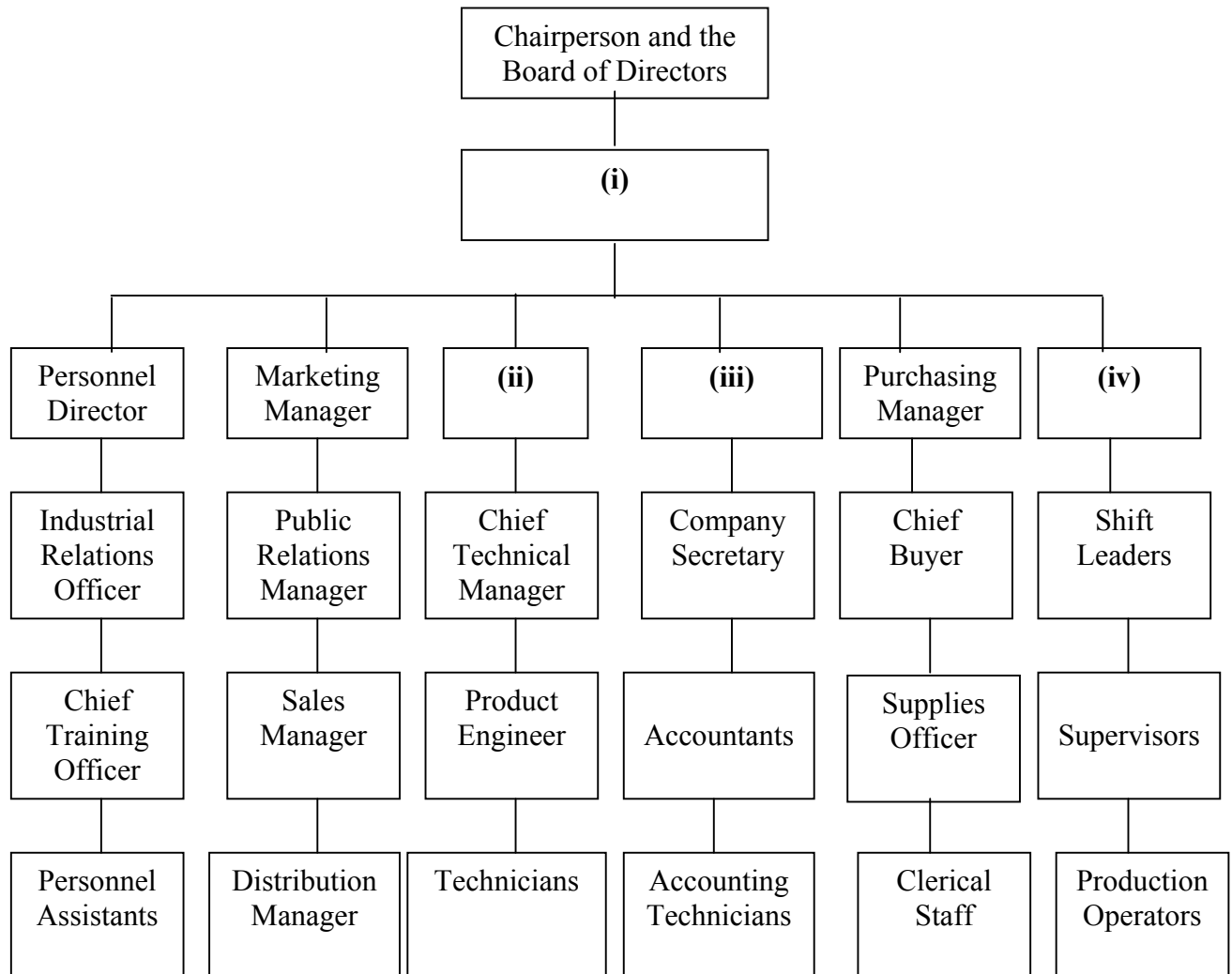
1. The Proactive Bottling and Packaging Co. Ltd has decided to change the shape of the container of one of its liquid products to make it more attractive and easier to use.
 - (a) Of what business function is this an example? (2 marks)

 - (b) Explain the role of the department performing the function mentioned in question (a) above. (4 marks)

 - (c) How is Proactive Bottling and Packaging Co. Ltd trying to increase the promotion of its product? (2 marks)

 - (d) Mention two (2) other ways, besides that mentioned in the text, which can be used as a promotion means. (4 marks)

- (e) Study the following diagram of an organisation chart and **on the foolscap** substitute the numbers in the empty boxes with the appropriate names of officials.



(4 × 2 marks)
(Total marks: 20)

2. A local firm needs to fill a vacancy in its Accounts Department. It issued an advertisement in the local papers to advertise this vacancy. The advert included a **job description** and a **job specification** and asked interested persons to send an application together with a **curriculum vitæ (C.V.)**.

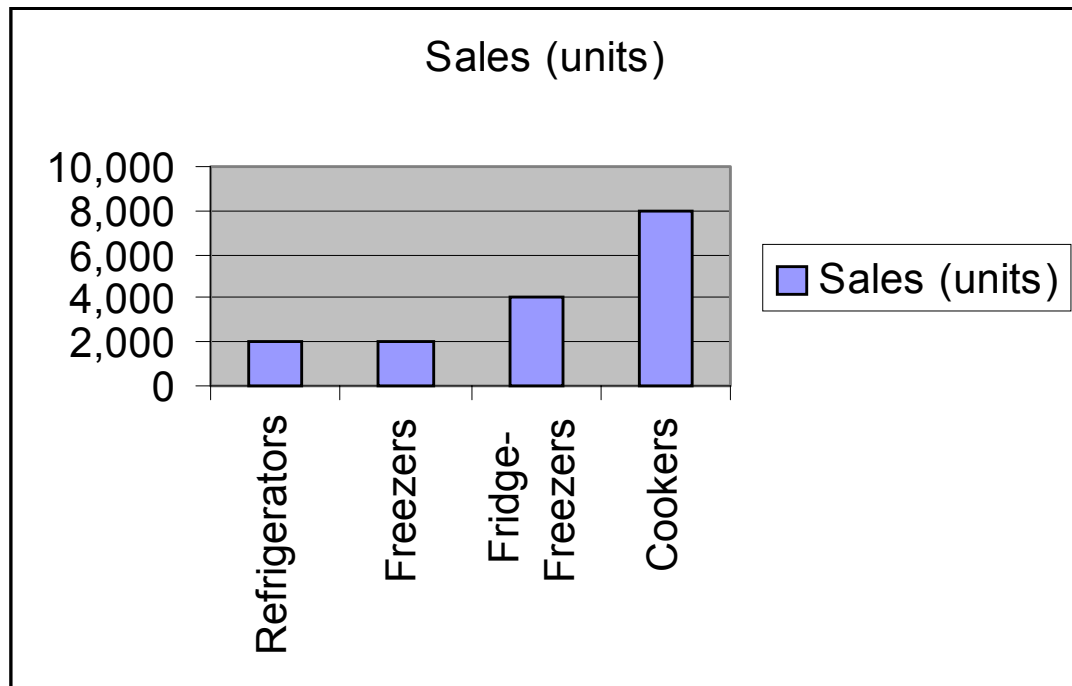
- (a) Explain the terms:
(i) job description
(ii) job specification
(iii) curriculum vitæ. (3 × 2 marks)
- (b) Sometimes an applicant for a job has to give the name of one or more **referees**. What is a **referee** in the context of an application for a job? (2 marks)
- (c) Suggest another name for the **Accounts Department**. (2 marks)
- (d) Once the applications are received, some are selected and the others are rejected. What is this process called? (2 marks)
- (e) Mention three (3) ways, other than those mentioned in the text, which a firm can use to advertise a vacancy. (3 × 2 marks)
- (f) Which method is usually used to select the final person to fill a vacancy? (2 marks)

(Total marks: 20)

SECTION D
(10 marks)

Read the following information and study the diagram below it; then answer the questions that follow.

Upfall Ltd manufactures refrigerators, freezers, fridge-freezers and cookers. The following diagram summarises last year's sales of the company.



- (a) Of which single product does Upfall Ltd sell most? (1 mark)
- (b) What is the number of sales of each product? (2 marks)
- (c) What is the total amount of units sold by the company? (1 mark)
- (d) Express the amount of units sold of each product into percentages of total sales. (4 marks)
- (e) Use the above information to draw up a pie-chart. (2 marks)

SECTION E
(20 marks)

Choose **one** of the following topics and answer **all parts** that follow on the foolscap. Each topic carries 20 marks.

1. Production is one of the essential functions of a manufacturing firm.

(a) What do you understand by:

- (i) job production;
 - (ii) mass production;
 - (iii) batch production
- as used in production?

(3 × 2 marks)

(b) Why are production planning and organisation important for a manufacturing firm?

(8 marks)

(c) Mention three (3) factors a firm should consider when it decides where to locate its premises.

(3 × 2 marks)

OR

2. Banks are essential financial institutions for business organisations and people in general.

(a) What do you understand by the term **financial institutions**?

(2 marks)

(b) Explain the difference between a **current account**, a **savings account** and a **fixed deposit account**.

(3 × 2 marks)

(c) Mention and explain four (4) services which a bank gives to businessmen.

(4 × 3 marks)

OR

3. Demand and supply are essential features of a market.

(a) What do you understand by the terms **demand** and **supply**?

(4 marks)

(b) Mention three (3) factors that affect the **demand** for ice-creams.

(6 marks)

(c) Mention three (3) factors that affect the **supply** for ice-creams.

(6 marks)

(d) At which price is a firm expected to sell its products? Explain your answer.

(4 marks)

THE END