

JUNIOR LYCEUM ANNUAL EXAMINATIONS 2003

Educational Assessment Unit – Education Division

FORM 4

BUSINESS STUDIES

TIME: 1hr 30min

Name: _____

Class: _____

SECTION A: ANSWER ALL QUESTIONS

Put the letter corresponding to the right answer in the box provided at the end of each question.

1. A firm allocates a sum of about Lm60,000 to spend either on the expansion of its premises or on the introduction of more sophisticated machinery. The choice falls on the expansion of its premises. What is the **opportunity cost** of this choice?
- The expansion of the existing premises, that could have been foregone.
 - The Lm60,000 sum that could have been utilised differently.
 - The foregoing of the introduction of more sophisticated machinery.

2. As a business owner you have to cater for certain **ethical issues**. These include:
- environmental issues, abiding by laws and regulations and promoting workers' dignity.
 - paying of all due taxes, preventing pollution of the environment and promoting conflict of interests.
 - having ethical dealings with unions and regulatory bodies and maximising profits at the expense of workers.

3. Franchising allows the **franchisee** to:
- receive royalty payments for the copying of the goods or services of his own business.
 - pay in order to use the brand name, goods or services of a well-known business organisation.
 - have less independence in trading of goods or services but gaining all royalty payments.

4. When computing the **Balance of Payments (B-O-P)**, one has to take into consideration:
- the visible and invisible balance.
 - the trading in goods, that is, goods exported and imported.
 - the trade gap and import controls.

5. As a sole trader you need to increase your **internal sources of finance**, so you decide to:

- a. induce more taxes on the community and borrow from the treasury.
- b. sell more assets, reduce stock and invest surplus cash.
- c. increase capital and revenue expenditure.

☐

6. **Fringe benefits or “perks”** may be in the form of:

- a. reduced prices of the company’s products and promotions of commodities.
- b. free meals, subsidised raw materials, flexitime.
- c. company car, subsidised meals and low interest rate for loans.

☐

7. As an **employer**, would you encourage your employees **to become members of a union or not?**

- a. Yes, because negotiations can be done with a smaller number of people.
- b. No, because they will often protest against my decisions to my disadvantage.
- c. Yes, because there could be more industrial disputes and restrictive practices.

☐

8. **Employment legislation** is necessary to regulate:

- a. the consumers’ rights and duties.
- b. the terms of payment for commodities.
- c. the conditions of service and industrial relations.

☐

9. **Government** can provide **aids to business** in the form of:

- a. professional associations, subsidies and assistance from banks.
- b. information through published data plus training & employment schemes.
- c. employment schemes, chambers of commerce and social security benefits.

☐

10. **Giving instructions to your subordinates or delegating authority** is a form of:

- a. upward communication.
- b. external communication.
- c. downward communication.

☐

(20 marks)

SECTION B: ANSWER ALL THE QUESTIONS IN THIS SECTION

Case Study 1

Read the following material printed in a local newspaper and then answer the questions laid down thereafter.

“HealthyU Ltd. is the local subsidiary of Healthcare Inc., a multinational company providing products and services to the healthcare industry.

In view of future challenges, the Company is seeking to recruit the services of a :
QUALITY ENGINEER

The selected candidate will form part of the Quality Assurance Team and will be held responsible to manage a number of critical aspects of the Quality function as reflected through the company business plan.

The ideal candidate for this position should have a university degree in Engineering with previous experience in a manufacturing environment.

The selected candidate will be rewarded with an attractive remuneration package, an opportunity for further training and excellent prospects for career advancement.

Prospective candidates are to submit a detailed C.V. giving full particulars of educational background and any relevant previous experience either by email to healthyU@h.care.net or in own handwriting to:

*The Human Resources Coordinator
HealthyU Ltd.
S10 Industrial Estate
Luqa LQA 41*

- a. Examine the paragraph provided hereunder and fill in the blanks with the following terms:

academic qualifications; vacant post; secondary sector; call for applications.

“The above is a _____ for the _____ of
Quality Engineer. The _____ of the applicant should include
a University Degree in Engineering. The prospective applicant should also have
experience in the _____.”


(4 marks)

- b. According to the advert, “*the selected candidate will form part of the Quality Assurance Team*”. In your opinion, what does “**Quality Assurance**” entail?
(2 marks)
- c. According to **theories of motivation** you have studied and from **what you have read** above, does it seem that **the higher needs of the individual** selected to occupy the post of Quality Engineer will be satisfied? Give reasons to prove your answer.
(4 marks)
- d. “*Prospective candidates are to submit a detailed C.V.*”. Give the **meaning** of a “**C.V.**” and **what it consists of**.
(2 marks)
- e. After all applications are received, describe in a short paragraph **what you** (as a Human Resources Coordinator), **will do next to choose the ideal person** to occupy the post referred to in the advert.
(4 marks)
- f. “*HealthyU Ltd. is the **local subsidiary** of Healthcare Inc., a **multinational co.** ...*”. Explain what is meant by the two (2) terms in bold lettering.
(4 marks)

Case Study 2

Analyse the advert below and then answer the questions that follow.

FRISK DRINK



“I drink **Frisk** every time I’m thirsty. It makes me feel so good! So you too should try **Frisk**.” Ira

“Frisk” is the best drink on the market. So be sure to buy
“Frisk”.

- a. Give two (2) reasons **why producers** of goods and services **advertise**.
(2 marks)
- b. Would you classify the advert printed above as **informative** or **persuasive**? Give reasons for your answer.
(3 marks)
- c. What “**device**” or “**hidden persuader**” is being used in the above advert?
(2 marks)
- d. Mention two (2) **disadvantages of advertising**.
(2 marks)
- e. If your work in a particular firm involved the **setting up of an advertising campaign**, in which **department** would you probably be working?
(1 mark)

f. At which **stage of the product life-cycle** would **advertising** be more **vigorous** (active)?

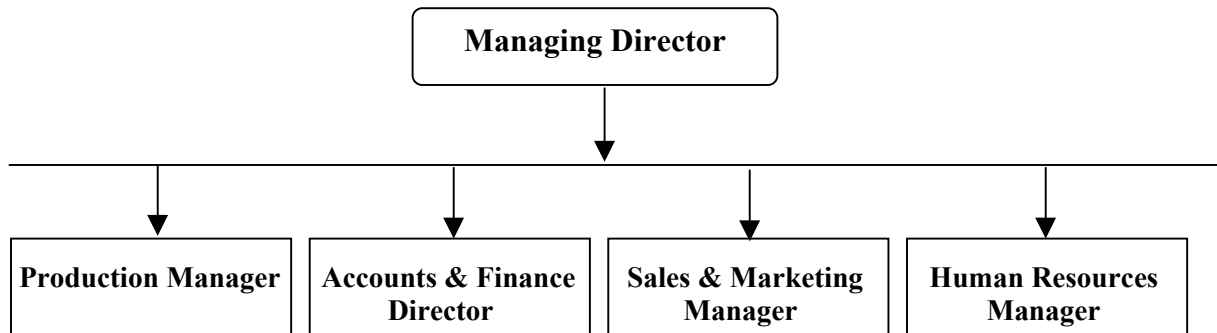
(2 marks)

g. Hereunder create an **informative** advert on a particular restaurant of your imagination.

(8 marks)

Case Study 3

Look at this part of an organisation chart of a particular firm and then answer the related questions beneath it.



a. If you were given the additional information listed hereafter in bold lettering, how would you complete the above organisation chart? (Draw the whole organisation chart on the foolscap provided).

- **There are also three supervisors in charge of a whole group of twenty machine-operators;**
- **The Accounts and Finance Manager has six Accountants under his control;**
- **The Marketing Section has two Assistant Managers catering for Local and Foreign sales, respectively; each of these Assistant Managers are each helped by three Junior Officials;**
- **In the Personnel Department, there are two Assistant Managers in charge of Recruitment and Conditions of Work, respectively, and each of these Assistant Managers have five Human Resources Officials as their subordinates.**

(10 marks)

b. From the above, what is the **span of control** of the Managing Director?

(2 marks)

c. How many **levels of authority** are there in the Marketing Section?

(2 marks)

d. Of the **six basic business functions**, which **two have been left out** in the above organisation chart?

(2 marks)

e. **Although we say that there are six separate basic functions or departments in a business organisation, this may not necessarily be so.** Explain, using examples if necessary.

(4 marks)

SECTION C: CHOOSE ONE (1) OF THE FOLLOWING TOPICS AND ANSWER THE RELATED QUESTIONS ON THE FOOLSCAPS PROVIDED

A. If you are involved in business, apart from the profit motive, you would probably have “Customer Satisfaction” as one of your objectives!

- a. Explain with examples, if necessary, what “Customer Satisfaction” is all about, referring to both the provision of a good and of a service. (5 marks)
- b. Why is it important for you as a business owner to achieve “Customer Satisfaction”? (4 marks)
- c. Which department of a business organisation is likely to be concerned with “Customer Satisfaction”? (2 marks)
- d. Apart from “Profit” and “Customer Satisfaction”, list three (3) other objectives of a business. (3 marks)
- e. In a few words, explain the three (3) other objectives mentioned. (6 marks)

OR

B. The importance of Pressure Groups in controlling Business.

- a. What is the meaning of a “Pressure Group”? (2 marks)
- b. Mention two (2) well-known pressure groups. (2 marks)
- c. There are formal and informal pressure groups. Why would informal pressure groups be called so? (2 marks)
- d. Describe how or by which methods pressure groups can achieve their aims. (Mention at least two -2 methods). (4 marks)
- e. Mention two (2) aspects about which pressure groups may protest in order to control a business. (2 marks)
- f. Besides trying to control a business, pressure groups may be set up to aid a business. Describe how this can be achieved. (4 marks)
- g. Pressure groups are a means of non-government control on business. What does government control consist of? (4 marks)

OR

C. “Although the means of communication may change due to technological improvements, the essential elements of communication remain the same.”

- a. What is the meaning of communication?
(2 marks)
 - b. Mention four (4) traditional methods of communication - two (2) of them used in internal communication and two (2) in external communication.
(4 marks)
 - c. Mention two (2) modern devices arising from technological development that may be added to the list of means used to transmit a message.
(2 marks)
 - d. Describe in full the four (4) essential or basic elements of communication.
(8 marks)
 - e. Apart from the four essential ingredients, there are three basic principles to remember in any type of communication. Mention these three (3) basic principles.
(3 marks)
 - f. Feedback is also essential in any type of communication. What is meant by “feedback”?
(1 mark)
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