

# JUNIOR LYCEUM ANNUAL EXAMINATIONS 2004

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. The term *business* as used in Business Studies refers to
  - (a) work, supply of goods, friendships. ☐
  - (b) trades, professions, commercial activities. ☐
  - (c) dealings, employment, familiar relationships. ☐
2. In Business Studies we study organisations involved in
  - (a) profitable, social and criminal activities. ☐
  - (b) profitable, religious and social activities. ☐
  - (c) social, unproductive and undesirable activities. ☐
3. A communication process must always
  - (a) use equipment. ☐
  - (b) contain words. ☐
  - (c) have a message. ☐
4. One of the functions of the Human Resources Department is
  - (a) the recruitment of workers. ☐
  - (b) the control of employers. ☐
  - (c) the allocation of resources. ☐
5. Market research is carried out
  - (a) as one of the promotional tools used by the firm. ☐
  - (b) by the Research Department in the company only. ☐
  - (c) in order that the firm gets to know its market better. ☐
6. A public limited company is owned by
  - (a) the shareholders. ☐
  - (b) the government. ☐
  - (c) the directors. ☐

7. *Centralisation* means that
- (a) the Administration Department is in a central position in the firm. ☐
  - (b) the Head Office of the firm is in a central locality in the country. ☐
  - (c) decisions are taken by a central authority within the company. ☐
8. *Demand* refers to
- (a) the questions that people ask sellers when buying a good. ☐
  - (b) the amount of a commodity that people are willing and able to buy. ☐
  - (c) the inquiries made through the internet to know more about a good. ☐
9. When a firm presents the sales of its different products in the form of a pie chart, it shows
- (a) the quantity of each product sold by the firm. ☐
  - (b) the total value of the sales of each product sold. ☐
  - (c) the proportional amount of sales of each product. ☐
10. The definition of a *footloose industry* is
- (a) an industry which is not certain of its market. ☐
  - (b) an industry working in a very unstable economic situation. ☐
  - (c) firms which are not restricted to a fixed location. ☐

## SECTION B

(20 marks)

**Answer all questions in this section on the foolscap provided.  
All questions carry 2 marks each.**

**Explain briefly the difference between:**

1. Limited liability and unlimited liability.
2. Primary production and secondary production.
3. A wholesaler and a retailer.
4. A good and a service.
5. Minimum stock level and re-order level.
6. Autocratic management and democratic management.
7. An overdraft and a loan.
8. Job production and mass production.
9. The agenda of a meeting and the minutes of a meeting.
10. Span of control and chain of command.

## SECTION C

*(40 marks)*

**Answer both questions in this section on the foolscap provided. Both questions carry 20 marks each.**

1. John Abela, Stephen Shelly and Juan Caballos met during an international conference in Geneva. John comes from Malta, where economic activity is carried out by the private sectors together with state intervention. Stephen comes from the United States of America (USA), where economic activity is largely carried out by the private sector. Juan comes from Cuba, where economic activity is completely controlled by the state.

(a) What type of economy do the three countries: Malta, the United States of America and Cuba have? *(3 marks)*

(b) How are production decisions carried out:

(i) in an economy like that of the United States;

(ii) in an economy like that of Cuba? *(4 marks)*

(c) Mention and explain one advantage and one disadvantage of an economy like that of the United States of America. *(4 marks)*

(d) Mention and explain one advantage and one disadvantage of an economy like that of Cuba. *(4 marks)*

(e) What is the role of the state in an economy like that of Malta? *(5 marks)*

2. Functions Ltd is a firm in the manufacturing sector. It is divided into different departments, with each department responsible for a particular function. In order to achieve co-ordination between the different departments within the firm a sound communication system had to be developed.

(a) Define the term communication. *(2 marks)*

(b) Mention the important elements that must exist in communication.

*(4 marks)*

(c) What method of communication would you suggest between the different departments in order to achieve co-ordination? *(2 marks)*

(d) Mention and explain three other methods of internal communication. *(6 marks)*

(e) Mention and explain two methods of external communication. *(4 marks)*

(f) Mention one modern piece of equipment used for communication. *(2 marks)*

## SECTION D

(10 marks)

Answer this section on the foolscap provided.

- (a) Draw a diagram of the *Product Life Cycle*, showing the sales volume at each stage. Label each stage. (3 marks)
- (b) Briefly explain the features of each stage. (7 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. One of the problems that might be faced by some workers during their working life is unemployment.
  - (a) Define the term *unemployment*. (2 marks)
  - (b) Mention and explain the different types of unemployment. (10 marks)
  - (c) How does the Employment and Training Centre (ETC) try to overcome the problem of unemployment? (8 marks)
- 2. One of the basic functions of a business is the Purchasing Function.
  - (a) Which department is responsible for the purchasing function? (2 marks)
  - (b) What do you understand by the term *purchasing*? (3 marks)
  - (c) Explain the main tasks which make up the purchasing function. (15 marks)
- 3. Production is the most obvious activity of a manufacturing firm for people outside the firm.
  - (a) Explain the meaning of the term *production* as used in Business Studies. (2 marks)
  - (b) In order that production takes place four factors of production are required. Name them and explain them. (8 marks)
  - (c) Why is production an important economic activity? (10 marks)

THE END