

JUNIOR LYCEUM ANNUAL EXAMINATIONS 2005

Educational Assessment Unit – Education Division

FORM 4

BUSINESS STUDIES

TIME: 1h 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. In the process of **good business communication**:

- a. the receiver finally becomes the transmitter.
- b. the feedback is given by the transmitter.
- c. the receiver uses the message medium.

2. Living during the times of the **barter system** meant:

- a. having less difficulties in pricing a commodity.
- b. being unable to make deferred payments.
- c. finding difficulties in producing a surplus.

3. Using the **e-mail to contact suppliers**:

- a. is a quick internal method of communication.
- b. is a case of upward rather than horizontal communication.
- c. is a quick, cheap and efficient method of communication.

4. **Customers** who have **not** been **satisfied** with a **commodity** should:

- a. try to come to terms with the supplier.
- b. resort immediately to the Consumer & Competition Division.
- c. ask for a product guarantee.

5. **Trade Unions** use **restrictive practices** whenever:

- a. industrial relations are bad.
- b. trade disputes come to an end.
- c. collective bargaining is in process.

6. The **EIRA (Employment & Industrial Act)** deals with:

- a. the role of customers and suppliers vis-à-vis business.
- b. the geographical mobility of employees.
- c. the conditions of work of employees.

7. **Measures** to **correct a Balance of Payments Deficit** include:

- a. import licences, export credit schemes and inflation.
- b. quotas, tariffs and devaluation of currency.
- c. subsidies, tariffs and taxes on exports.

8. **Aids to businesses** can be in the form of:

- a. voluntary associations, government grants and perks.
- b. employment schemes, tariffs and discounts.
- c. grants, training & employment schemes, and subsidies.

9. A **company producing commodity X** would indulge in **vertical integration** to:

- a. take over other companies selling commodity X.
- b. spread risks by acquiring other companies producing other different commodities.
- c. have control on shops selling commodity X.

10. In order to benefit from **external economies of scale**, you would **locate** your business in an area where:

- a. there is a niche market for your products.
- b. there is another firm making goods from your waste materials.
- c. there is space for diversifying and enlarging your premises.

(20 marks)

SECTION B: ANSWER ALL THE QUESTIONS IN THIS SECTION.

ALL QUESTIONS ARE TO BE ANSWERED ON THE FOOLSCAPS PROVIDED.

• **Case Study 1**

Analyse the following information and then proceed with the questions laid down thereafter.

The Human Resources Department of a firm is headed by a Human Resources Director.

Under his span of control he has 4 Senior Officials, **respectively responsible** for:

- Recruitment & Selection;
- Conditions of Service;
- Discipline; and
- Safety & Welfare.

The “Recruitment & Selection” as well as the “Conditions of Service” Senior Officials each have eight officers as their subordinates.

The Discipline Senior Official has a Deputy Discipline Officer under his direct command. The latter Deputy Discipline Officer controls 2 clerks in charge of keeping disciplinary records.

The Safety & Welfare Senior Official has 3 Safety Officers directly reporting to him. There is also 1 clerk for each and every Safety Officer. Each of these clerks is accountable to his/her respective Safety Official.

- a. Draw up an organisation chart for the Human Resources Department, taking all the above information into consideration. Be as neat and clear as possible. (12 marks)
- b. If you were employed within the Safety & Welfare section of the Human Resources Department, what kind of work would you be dealing with, that is, what aspects of human resources would you be treating? (4 marks)
- c. From the organisation chart you have drawn, state what is the span of control of the Conditions of Service Senior Official. (2 marks)
- d. To whom would the Discipline Senior Official delegate his authority? (2 marks)

- **Case Study 2**

Study this extract thoroughly before you answer the questions that follow.

A firm intends to sell a new commodity. The **Marketing Department** of this firm is in the process of carrying out some **market research** before **launching** this new commodity.

Some **desk research** has already been made, but now the Marketing Department personnel have to indulge in **field research** to obtain more information. They need to have a clear idea of what people want in this particular commodity, like its design, its flavour, its size, its packaging and so on. They also want to compile a customer profile depending on the information gathered from the **target group**.

- a. Explain the six (6) terms shown in bold lettering in the above extract. (12 marks)
- b. Think of a good or service that you would be ready to sell to customers. **Write down what this good or service is. Then, design a questionnaire** in order to find out the preferences of the customers in respect of this good or service of your choice. (8 marks)

- **Case Study 3**

Read the following before you attempt the questions that follow.

Some businesses project an “environmentally friendly” image, but this does not necessarily mean that they are genuinely concerned for the environment. It might mean that primarily they present this image to promote their company and increase profits.

Some businesses do have moral values and act in an ethical way. Others act purely out of self-interest to increase profits.

- a. What do you understand by: “environmentally friendly image”, as applied in the above text? (2 marks)
- b. Mention and explain two (2) types of measures that a company may take to be genuinely concerned with the environment. (6 marks)
- c. Explain what is meant by: “present this image to promote their company”. (4 marks)
- d. Besides environmental issues, can you mention two (2) moral or ethical issues with which businesses are concerned? (4 marks)
- e. With what tools do governments exert control on businesses to ensure that these businesses take more care of the environment and other moral/ethical issues? (4 marks)

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

1. Assembly lines are a typical characteristic of mass production and the process of division of labour, where workers specialise in their field of work.

- a. Explain what is meant by assembly lines. (2 marks)
- b. Give two (2) examples of commodities that may be made on an assembly line and state why this method of production is suited to the commodities you mentioned. (4 marks)
- c. Define division of labour and specialisation. (4 marks)
- d. What arguments in favour of division of labour would you put forward so that this method is adopted in a particular firm? (5 marks)
- e. Division of labour may cause dissatisfaction amongst workers and mass production may be the cause of producing commodities which are not of an acceptable standard. Comment. (5 marks)

OR

2. “HSBC” is an example of a multinational company in Malta, whereas “Kentucky Fried Chicken” is an example of a franchise operating in our Island.

- a. Describe in detail the characteristics of a multinational company. (5 marks)
- b. Describe in detail the characteristics of a franchise agreement. (5 marks)
- c. State three (3) differences between the multinational company and the franchise business. (6 marks)
- d. How does the Maltese economy benefit from multinational companies locating their business in Malta? (4 marks)

OR

- 3. Besides fringe benefits and other different methods of remuneration amounting to financial compensation for work, workers need non-financial incentives to keep them going.**
- a. With examples to illustrate your answer, explain the meaning of fringe benefits. (4 marks)
 - b. Mention and explain in some detail, (including any advantages/disadvantages concerned), two (2) different methods of remuneration. (8 marks)
 - c. Describe three (3) different non-financial incentives that you would use to motivate your personnel. (6 marks)
 - d. Why would non-financial incentives be necessary as an incentive for workers? (2 marks)