

JUNIOR LYCEUM ANNUAL EXAMINATIONS 2007

Educational Assessment Unit – Education Division

FORM 4

BUSINESS STUDIES

TIME: 1h 30 min

Name: _____

Class: _____

ANSWER ALL SECTIONS

SECTION A

(20 marks)

Answer all questions in this section by ticking the correct answer in the space provided. Each question carries 2 marks.

1. Which of the following is not a function of money?
 - (a) A means of buying goods and services.
 - (b) A means of controlling trade activities.
 - (c) A measure of the value of goods and wealth.

2. In a partnership
 - (a) There are usually between 2 and 20 partners.
 - (b) All partners must have limited liability.
 - (c) All partners must have unlimited liability.

3. Market segmentation refers to the separation of the market on the basis of
 - (a) Age, gender, religion and race.
 - (b) Month of birth, surname, income.
 - (c) Name, day of birth, education.

4. Increasing the product range involves the production of
 - (a) Different products satisfying different needs/wants.
 - (b) The same products in different colours.
 - (c) Variations of the same product.

5. Business ethics include:
 - (a) The sponsorship of sports and cultural activities.
 - (b) The donations of large sums of money to charity.
 - (c) The safeguarding of dignity at the place of work.

- 6.** The chain of command shows
- (a) The number of people under the control of a manager.
 - (b) How authority falls down from top to bottom in a firm.
 - (c) How different departments are split into small sections.
- 7.** Communication in a business environment may include:
- (a) The playing of CDs during work in a factory.
 - (b) The preparation of material for advertising.
 - (c) Listening to MP3 players during working time.
- 8.** An example of occupational mobility of labour is
- (a) A teacher becoming a Human Resources manager.
 - (b) A university lecturer becoming an MCAST lecturer.
 - (c) A teacher teaching English starts teaching French.
- 9.** The government can aid business by
- (a) Improving environmental laws.
 - (b) Changing and upgrading civil laws.
 - (c) Giving training grants to firms.
- 10.** The law which controls employment and industrial relations is referred to as:
- (a) CERA
 - (b) IRA
 - (c) EIRA

SECTION B
(60 marks)

Answer ALL questions in this section, with all their respective sub-divisions, on the foolscaps provided. Each question carries a total of 20 marks.

Case Study 1

The Board of Directors of a company has a meeting planned every third Monday of the month. The Secretary has issued the Agenda for the next meeting together with a printed version of the Minutes of the previous meeting.

- (a) What is the **agenda** and what does it contain? *(4 marks)*
- (b) What are the **minutes** of the meeting? *(2 marks)*
- (c) Who controls the discussion during a meeting of the Board of Directors? *(2 marks)*
- (d) What is the role of the secretary during a meeting? *(2 marks)*
- (e) What type of communication is prevalent during a meeting? *(2 marks)*
- (f) In what ways are decisions made during a meeting? Explain what you mean by each term you use. *(8 marks)*

Case Study 2

Look at the following statement for 2003 and then answer the questions that follow:

| | | | <i>Lm</i> <i>millions</i> |
|---------------------------------------|----------------|------------|------------------------------|
| Goods Balance | | | -258.6 |
| Services Balance: | Transport | - 18.9 | |
| | Travel | 180.0 | |
| | Other services | <u>0.7</u> | A |
| Net Income | | | 15.4 |
| Net Current Transfers | | | <u>- 20.4</u> |
| Current Account Balance | | | B |
| Capital and Financial Account Balance | | | 80.5 |
| Net errors and omissions | | | <u>76.0</u> |
| | | | C |
| Movements in Reserves | | | D |

- (a) What is the above statement called? (2 marks)
- (b) What does this statement show? (3 marks)
- (c) What is the other term given to the **Goods Balance**? (2 marks)
- (d) Work out the missing figures marked **A, B, C** and **D**. (4 marks)
- (e) What is the term given to the amount **C**, above? (2 marks)
- (f) What is the meaning of the negative sign in front of some of the figures in the above statement? (2 marks)
- (g) Is the amount **C** in the above statement favourable or unfavourable? Explain your answer in detail. (5 marks)

Case Study 3

Two important official policies which are continuously used by the authorities are the monetary policy and the fiscal policy. Together they form part of the country's economic policy.

- (a) Define **monetary policy** and **fiscal policy**. *(4 marks)*
- (b) Who is responsible to draw up the monetary policy? *(2 marks)*
- (c) Who is responsible to draw up the fiscal policy? *(2 marks)*
- (d) Mention two means which can be used to affect the monetary policy. *(2 marks)*
- (e) Explain how **ONE (1)** of the items you mentioned in (d) above affects the economy. *(4 marks)*
- (f) Mention two means which can be used to affect the fiscal policy. *(2 marks)*
- (g) Explain how **ONE (1)** of the items you mentioned in (f) above affects the economy. *(4 marks)*

SECTION D
(20 marks)

Write an essay on ONE (1) of the suggested titles below. Be sure to answer all questions related to the essay you have chosen. Each question carries 20 marks.

1. An important institution is the Malta Stock Exchange.

- (a) What is the primary objective of the Malta Stock Exchange? *(2 marks)*
- (b) Explain how this objective helps the Maltese Economy. *(6 marks)*
- (c) Mention and explain four other role of the Malta Stock Exchange. *(12 marks)*

OR

2. Trade unions are important formal groups of workers.

- (a) Mention two (2) **types** of trade unions and explain their main characteristics bringing out the differences between them. *(6 marks)*
- (b) Mention **by name** two local trade unions *(2 marks)*
- (c) Mention and explain in detail four (4) roles of a trade union. *(12 marks)*

OR

3. One of the decisions a business has to make is where to locate its business.

- (a) Mention and explain in detail four (4) factors which might determine the location of a business unit. *(12 marks)*
- (b) Explain how the careful selection of the location of a business unit might bring about external economies of scale to the firm. *(8 marks)*