

**FORM 3**

**BUSINESS STUDIES**

**TIME: 1h 30min**

**Name:** \_\_\_\_\_

**Class:** \_\_\_\_\_

**FOR OFFICIAL USE ONLY**

**MARKS**

| <b>SECTION</b>            | <b>A</b>  | <b>B</b>  | <b>C1</b> | <b>C2</b> | <b>D</b>  | <b>TOTAL</b> |
|---------------------------|-----------|-----------|-----------|-----------|-----------|--------------|
| <b>MARKS</b>              | <b>20</b> | <b>20</b> | <b>20</b> | <b>20</b> | <b>20</b> | <b>100</b>   |
| <b>STUDENT'S<br/>MARK</b> |           |           |           |           |           |              |

**SECTION A****ANSWER ALL QUESTIONS IN THIS SECTION****Tick the correct answer in the space provided.**

1. An example of **capital goods** is
  - (a) a television set in your living room ☐
  - (b) a bus owned by a hiring garage ☐
  - (c) a small car owned by a family ☐
2. An example of **direct production** is
  - (a) a man producing food in his own field for his family ☐
  - (b) a man working as a carpenter in a furniture factory ☐
  - (c) a man spraying furniture in a furniture factory ☐
3. The **Human Resources Department** in a firm deals with
  - (a) the welfare of the employees at the place of work ☐
  - (b) the political and legal interests of the workers ☐
  - (c) the personal earnings and wealth of the employees ☐
4. **Two-way communication** occurs when
  - (a) a message is sent in the home of workers ☐
  - (b) a message is sent in the home of clients ☐
  - (c) someone replies to a message received ☐
5. The **hygiene factors** include
  - (a) promotion possibilities and career development ☐
  - (b) company policies, salaries and job security ☐
  - (c) personal hygiene and overtime possibility ☐
6. The **maturity stage** in the product life cycle comes just after
  - (a) the introductory stage ☐
  - (b) the growth stage ☐
  - (c) the decline stage ☐
7. The roles of the **retailer** include
  - (a) the production and marketing of the final product ☐
  - (b) the branding and pricing of the final product ☐
  - (c) breaking of bulk and selling in small units to customers ☐
8. When a firm needs to **choose its suppliers** it has to take into account
  - (a) the relationship of the owners with the supplier ☐
  - (b) the commercial bank used by the supplier ☐
  - (c) the reliability of the supplier to meet requirements ☐

9. A **pie chart** shows
- (a) exact quantities
  - (b) relative quantities
  - (c) actual quantities
10. **Just-in-time** supplies refers to
- (a) materials delivered to the firm just when they are needed
  - (b) materials delivered to the firm long before they are needed
  - (c) materials delivered to the firm just after they were required

☐
☐
☐
☐

## **SECTION B**

[20 marks]

**ANSWER ALL QUESTIONS IN THIS SECTION.**

**Each question carries 2 marks. Answer in the space provided under each question.**

1. Define the term **wants** as used in Business Studies.

---



---

2. Explain what you understand by the term **mixed economy**.

---



---

3. What is a **partnership deed**?

---



---

4. What is the **span of control**?

---



---

5. Define the term **working population**.

---



---

6. Explain what is meant by **market penetration pricing**.

---

---

7. What is the **product life cycle**?

---

---

8. What is **branding**?

---

---

9. What is **job specification**?

---

---

10. What do you understand by **delegation of authority**?

---

---

### SECTION C

[40 marks]

ANSWER BOTH QUESTIONS IN THIS SECTION.

Write your answer on the foolscaps provided. Each question carries 20 marks.

Question 1 – Read the following passage and then answer the questions that follow:

*In an economy there are different forms of business organisations. The main forms of business organisations are sole traders, partnerships and limited liability companies.*

(a) Define the terms:

- (i) sole trader (2 marks)
- (ii) partnership (2 marks)
- (iii) limited liability company (2 marks)

(b) How do we call the owners of a limited liability company? (2 marks)

- (c) What is the major difference between a **public limited company** and a **private limited company**? (2 marks)
- (d) What are **dividends**? (2 marks)
- (e) In which occasion do the owners of a limited liability company have the right to vote? (2 marks)
- (f) Explain the term **limited liability**. (2 marks)
- (g) Explain the term **separate legal entity**. (2 marks)

**Question 2 – Read the following passage and then answer the questions that follow:**

*A firm faces the following weekly demand and supply schedules for one of its products:*

| <i>Price</i> | <i>Demand</i> | <i>Supply</i> |
|--------------|---------------|---------------|
| 10           | 230           | 170           |
| 11           | 220           | 180           |
| 12           | 210           | 190           |
| 13           | 200           | 200           |
| 14           | 190           | 210           |
| 15           | 180           | 220           |

- On the graph paper provided, draw the demand and supply curves.
- (a) Label the demand curve  $D_1$  and the supply curve  $S_1$ . (5 marks)
- (b) From the table above determine:
- (i) the equilibrium price. (2 marks)
  - (ii) the equilibrium quantity. (2 marks)
- (c) What do we call the market situation if the market price is €10? (2 marks)
- (d) What do we call the market situation if the market price is €15? (2 marks)
- (e) Assume that demand increases by 20 units a week at each price level;
- (i) Write down the new demand schedule. (4 marks)
  - (ii) Draw the new demand curve on the same graph you have drawn in part (b) of this question and label it  $D_2$ . (1 mark)
  - (iii) What is the new equilibrium price? (1 mark)
  - (iv) What is the new equilibrium quantity? (1 mark)

**SECTION D**

[20]

**ANSWER ALL QUESTIONS IN THIS SECTION.****Answer on the foolscaps provided.**

- (a) Define the following types of production:
- (i) job production (2 marks)
  - (ii) batch production (2 marks)
  - (iii) flow production (2 marks)
- (b) Give one (1) example of job production. (2 marks)
- (c) Give one (1) example of batch production. (2 marks)
- (d) Give one (1) example of flow production. (2 marks)
- (e) Mention one (1) advantage of flow production. (2 marks)
- (f) What are **quality controllers**? (2 marks)
- (g) What are **progress chasers**? (2 marks)
- (h) Briefly say why the production department has to keep close contact with the **finance department** and **purchasing department**. (2 marks)