



FORM 3

BUSINESS STUDIES

TIME: 1h 30min

Name: _____

Class: _____

FOR OFFICIAL USE ONLY

MARKS

SECTION	A	B	C1	C2	D	TOTAL
MARKS	20	20	20	20	20	100
STUDENT'S MARK						

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

1. The following are examples of **capital goods**, *except*
 - (a) a television set in a restaurant ☐
 - (b) a small car owned by a family ☐
 - (c) a bus owned by a hiring garage ☐
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 **footloose firm**?

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.

Answer these questions on the foolscaps provided. Each question carries 20 marks.

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

General Manufacturing Ltd is a local company in the manufacturing sector. From time to time it is short of cash and uses its overdraft facility to pay daily expenses. So, usually, its bank balance is an overdraft. Recently it has applied for a bank loan of €250,000 since it is planning to expand.

- (a) What is a **bank overdraft**? (2 marks)
- (b) What is a **bank loan**? (2 marks)
- (c) Explain when a firm should use a **bank overdraft** and when it should use a **bank loan**. (4 marks)
- (d) Mention and explain two (2) other types of **bank accounts** that a bank offers. (6 marks)
- (e) Mention and explain two (2) other services offered by a bank, both to individuals and to business organisations. (6 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

- (a) On the graph paper provided, draw the demand and supply curves. Label the demand curve D_1 and the supply curve S_1 . (5 marks)
- (b) On the graph mark:
- (i) the equilibrium point, and label it E_1 . (1 mark)
 - (ii) the equilibrium price, and label it P_{e1} . (1 mark)
 - (iii) the equilibrium quantity, and label it Q_{e1} . (1 mark)
- (c) What do we call the market situation if the market price is €10? Explain this term. (3 marks)
- (d) What do we call the market situation if the market price is €15? Explain this term. (3 marks)
- (e) Assume that demand increases by 20 units weekly at each price level;
- (i) Write down the new demand schedule. (2 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)
- On the graph mark:
- (iii) the new equilibrium point and label it E_2 . (1 mark)
 - (iv) the new equilibrium price and label it P_{e2} . (1 mark)
 - (v) the new equilibrium quantity and label it Q_{e2} . (1 mark)

SECTION D

ANSWER ONE QUESTION FROM THIS SECTION.

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

1. A limited liability company is one form of a business organisation.

- (a) When a group of people would like to form a company they have to prepare the **memorandum of association** and the **articles of association**. Explain briefly what each of these documents is. (4 marks)
- (b) The memorandum of association and the articles of association have to be sent to an official. Name this official. (2 marks)
- (c) This official has to issue a document to the applying company. What is this document called and what does it show? (3 marks)
- (d) A **public limited company** must have another document. What is this document called and what does it show? (3 marks)
- (e) Name a difference between a **private limited company** and a **public limited company**? (2 marks)
- (f) What is a **prospectus**? (2 marks)
- (g) Explain the term **limited liability**. (2 marks)
- (h) Explain the term **separate legal entity**. (2 marks)

OR

2. Firms may use different types of production methods.

- (a) Define the following types of production:
 - (i) job production (2 marks)
 - (ii) batch production (2 marks)
 - (iii) flow production (2 marks)
- (b) Give **two (2)** examples of **each** type of production mentioned in part (a) of this question. (6 marks)
- (c) Mention one (1) **advantage** and one (1) **disadvantage** of any production method mentioned above. (2 marks)
- (d) Mention two (2) other departments with which the production department has to keep close contact in a firm. (2 marks)
- (e) What are **quality controllers** in production? (2 marks)
- (f) Briefly explain the importance of **progress chasers** in the production process. (2 marks)