

SECONDARY SCHOOL ANNUAL EXAMINATIONS 2009

Directorate for Quality and Standards in Education
Educational Assessment Unit

FORM 4

BUSINESS STUDIES

TIME: 1h 30 mins

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.

Each question carries 2 marks, giving a total of 20 marks for the whole Section.

1. A businessman decides to spend an amount of his profits on equipment instead of buying more stock for his shop. The **opportunity cost** of this choice is the:

- (a) stock that has been foregone
- (b) new equipment bought
- (c) profits spent on more equipment

2. **Money** solved the **disadvantages** of the **barter system**, especially the problem of:

- (a) not having enough surplus
- (b) finding more people to produce
- (c) fixing fair rates of exchange

3. In a factory, jeans are produced by the system of **division of labour**, so:

- (a) more is produced at a less unit cost
- (b) every employee has the satisfaction of completing the product by himself
- (c) less machinery is needed as more workers are involved in the process

4. In the **tertiary stage of production**, the product is:

- (a) distributed and sold to the general public
- (b) manufactured or processed until it is finished
- (c) extracted from the land or from the sea

5. Besides maximisation of profits, every **businessman's objective** is to try to:

- (a) avoid paying any taxes
- (b) sell inferior products
- (c) remain in business or survive

6. The Managing Director is directly responsible for five (5) Managers, who in turn have Assistant Manager each, as their subordinate. So in this **organisation chart**:

- (a) there are five levels of authority in all the firm
- (b) there are five chains of command from the Managing Director
- (c) the span of control of the Managing Director is five

☐

7. In the case of a **progressive tax**:

- (a) the more people earn, the more tax they have to pay
- (b) the proportion of income taken in tax falls as income rises
- (c) only corporations are made to pay

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8. In a trade dispute, **industrial action** may include:

- (a) conciliation, go slow, sit-in strike
- (b) work-to-rule, overtime ban, strike
- (c) boycott, work-to-rule, arbitration

☐

9. Different methods of **stopping from work** include:

- (a) recruitment or redundancy
- (b) resignation or retirement
- (c) dismissal or promotion

☐

10. A benefit of operating a **worker-participation** system is:

- (a) to be able to participate in production and buy some of the goods produced
- (b) having a share of the company's profits
- (c) that workers can participate in administrative decisions

☐

SECTION B

Fill in the blanks in the sentences with the words given in the table below:

choice	trading	subsidiaries	Registrar	consumer
health	countries	capital	scarce	safety

1. The stocks of shoes in a shoe shop are known as _____ goods but furniture at home is considered as a _____ good.
2. Resources are _____ and this forces people to make a _____.
3. A Public limited company needs a _____ certificate in order to start doing business and this is issued by the _____ of companies.
4. A multinational country is formed when mergers take place between firms in different _____ or when a firm sets up _____ abroad.
5. Business ethics involve also _____ and _____ aspects at the workplace.

(10 marks)

SECTION C

Decide whether the following statements are True or False and then write T or F in the spaces provided.

1. For production to occur there has to be the factors of production. _____
2. The characteristics of money include: portable, divisible and in plentiful supply. _____
3. In a centrally-planned economy the market mechanism can operate freely. _____
4. The Human Resources department is responsible for the advertising of products. _____
5. Retained profit is a source of finance for a business. _____
6. When there is direct production, people specialise in producing one good only. _____
7. Privatisation is the transfer of a business in the public sector to the private sector. _____
8. The Stock Exchange is the market for the selling of securities. _____
9. An employers' association is a union of employees. _____
10. Fringe benefits are also known as perks. _____

(10 marks)

SECTION D

Give two (2) examples of each of the following and write them down in the spaces provided.

1. Countries that may be considered as having a mixed economy.

2. Main business objectives.

3. The parties involved in a Franchise Agreement.

4. Documents used in Foreign Trade.

5. Sources of Finance for the Public Sector.

(10 marks)

SECTION E

Distinguish between each set of words given hereunder.

1. On-the-job (internal) training and Off-the-job (external) training

2. Time rate and Piece rate

3. Preference shares and Ordinary shares

4. Horizontal Integration and Vertical Integration

5. Current Account and Savings Account

(10 marks)

SECTION F

Answer the questions that follow hereunder in the spaces provided.

1. Foreign Trade is very important for a country. Give three reasons why this is so.

(6 marks)

2. In each of the cases shown in the table below, state whether the good/service imported/exported is a visible or invisible export/import. So, use these terms: Visible Export, Visible Import, Invisible Export, Invisible Import in the second column.

Malta buys furniture from abroad	
A German singer gives a concert in Malta	
An Australian comes for a holiday in Malta	
Malta sells spring potatoes to Holland	

(4 marks)

3. Describe two (2) problems that an exporter may meet with in trying to export his goods.

(2 marks)

4. If a country's total exports amount to €20,000 million and its total imports are €25,000 million, work out the Balance of Payments and say whether the result shows a deficit or a surplus.

(4 marks)

5. Describe two (2) measures that government may take to control the importation of goods/services into the country.

(4 marks)



SECTION G

Read the extract below and then answer the questions that follow thereafter.

Karl is a sole trader selling all sorts of stationery. His shop is located in a well-known locality and a few metres up the road there is a school. Not only school children visit his shop but many other grown ups who buy all sorts of things like newspapers, books, cigarettes and sweets, as well as gifts. When he closes his shop, Karl passes in front of a nearby bank and deposits his money in the night safe. He is a good client of this bank.

1. List three (3) advantages and three (3) disadvantages of being a sole trader.

(6 marks)

2. From what is said in the extract, find two (2) reasons why Karl's shop may be considered as located in a good area.

(2 marks)

3. List two (2) other factors that must be taken into consideration when trying to find the right location for a business.

(2 marks)

4. What is a night safe and why is it important for a businessman?

(4 marks)

5. Banks offer various services to businessmen. Describe any three (3) of these.

(6 marks)