

SECONDARY SCHOOL ANNUAL EXAMINATIONS 2009

Directorate for Quality and Standards in Education
Educational Assessment Unit

StudentBounty.com

FORM 5

BUSINESS STUDIES

TIME: 1h 45 mins

Name: _____

Class: _____

SECTION A: ANSWER ALL QUESTIONS IN THIS SECTION

Tick the correct answer.

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

1. When a factory emits toxic fumes, society incurs
 - (a) a social benefit ☐
 - (b) an external cost ☐
 - (c) an opportunity cost ☐

2. In a free market economy
 - (a) businesses obtain profits without paying any taxes ☐
 - (b) government subsidises many business activities ☐
 - (c) there is a wide choice of commodities ☐

3. Health & Safety at the workplace
 - (a) ensures that the firm does not have unwanted costs relating to lost man-hours ☐
 - (b) creates the need for another section in the R & D department ☐
 - (c) is insured if the workers buy their own safety shoes ☐

4. Globalisation occurs where
 - (a) firms see the scope of their business as being carried out on a worldwide scale ☐
 - (b) the internet is not worldwide used ☐
 - (c) a standard product is sold locally only ☐

5. A cash budget is an alternative name for
 - (a) the government's spending on social security ☐
 - (b) a firm's day to day income ☐
 - (c) a cash flow forecast ☐

6. Demographics is all about the
(a) design of regulations for the business on the computer
(b) statistical data of the size, structure and make-up of a population
(c) gender of the population ☐
7. The local residents protesting against the setting up of new factory estate
(a) are part of the local council ☐
(b) cause an international promotion to sustainability ☐
(c) form a pressure group ☐
8. When demand exceeds supply in the market, the result is
(a) a surplus ☐
(b) a shortage ☐
(c) an equilibrium price ☐
9. Indicate which of the following statements is true
(a) the tertiary sector includes direct and commercial services ☐
(b) in the secondary stage of production the chain of production is complete ☐
(c) there is interdependence between every capital good of the plant ☐
10. If the subordinates of the Chief Accountant amount to ten and his superior is the Managing Director, the span of control of the Chief Accountant is
(a) nine ☐
(b) ten ☐
(c) eleven ☐

SECTION B: Answer ALL questions on the foolscaps provided. Total marks 20.

The following are the balance sheets of a business for two consecutive years. Examine the balance sheets carefully.

John Abdilla
Balance Sheets for years ended 31 December

	2006		2007	
	€	€	€	€
<u>Fixed Assets</u>				
Premises		80,000		95,000
Fixtures and fittings		10,000		12,000
Machinery		30,000		35,000
		<u>120,000</u>		<u>142,000</u>
<u>Current Assets</u>				
Stock	15,000		20,000	
Debtors	2,000		5,000	
Bank	1,000		3,000	
	<u>18,000</u>		<u>28,000</u>	
<u>Current Liabilities</u>				
Creditors	10,000	8,000	13,000	15,000
		<u>128,000</u>		<u>157,000</u>
<i>Financed by:</i>				
Capital: Balance 1 January		86,000		90,000
<i>add</i> Net Profit		24,000		30,000
		<u>110,000</u>		<u>120,000</u>
<i>less</i> Drawings		20,000		23,000
		<u>90,000</u>		<u>97,000</u>
<u>Long Term Liabilities</u>				
10% Bank Loan		38,000		60,000
		<u>128,000</u>		<u>157,000</u>

Now answer the following questions on the foolscaps provided:

- (a) The above are the balance sheets of a **sole trader**. Explain what is a sole trader. (2 marks)
- (b) What is the difference between **current assets** and **fixed assets**? (4 marks)
- (c) What is the difference between **current liabilities** and **long term liabilities**? (4 marks)
- (d) Work out the **current ratio** and the **acid test ratio** for the two years (4 marks)
- (e) Comment on the results of your answers to question (c), above, for the two years, stating what the ratios tell us about the business concerned. (4 marks)
- (f) Work out the ROCE for the two years. (2 marks)

SECTION C: This section contains two questions of 20 marks each for a total of 40 marks.
ANSWER ALL QUESTIONS IN THIS SECTION on the provided foolscaps.

Question 1

The Maltese economy is passing through some problems with regards to employment and economic activity. The **ETC** has embarked on a programme to provide courses to retrain employed workers. On the other hand, the **ME** has embarked on a programme to find new markets for local firms. This may help to create work for local firms which, at the same time, would save employment.

- (a) What do the abbreviations **ETC** and **ME** stand for? (2 marks)
- (b) Mention three (3) roles of the ETC besides those mentioned in the passage. (3 marks)
- (c) Mention three (3) roles of the ME besides those mentioned in the passage. (3 marks)
- (d) List four (4) other organizations which can help the economy (employers, workers or producers). In each case state briefly the main aims of each organization that you mention. (12 marks)

Question 2

The Human Resources manager hold a meeting every Friday with all the employees of the Human Resources (HR) Department to discuss problems in his section and to inform the workers of any changes at the workplace.

- (a) Explain four functions of the Human Resources Department. (8 marks)
- (b) Mention three other departments there could be in a firm. (3 marks)
- (c) Explain, with examples, any two types of communication used in a meeting, choosing from written, verbal and non-verbal. (4 marks)
- (d) Which are the important elements of the communication process (4 marks)
- (e) Give a reason why people would resist change. (1 mark)

SECTION D Answer ONE question from this section. Each question carries 20 marks

1. (a) What is barter? (2 marks)
(b) Mention three (3) problems associated with barter. (6 marks)
(c) Briefly explain the functions of money. (4 marks)
(d) Briefly explain the characteristics of money. (6 marks)
(e) Why is exchange important in a modern economy? (2 marks)

OR

2. (a) What are exports? (2 marks)
(b) What are imports? (2 marks)
(c) Mention four ways how a government can control the level of imports in a country. (4 marks)
(d) What is visible trade? (2 marks)
(e) What is invisible trade? (2 marks)
(f) Why is international trade important? (4 marks)
(g) What is a trade bloc? Mention an important trade bloc that you know of. (4 marks)