

FORM 3

BUSINESS STUDIES

TIME: 1h 30min

Name: _____

Class: _____

SECTION A

[20 marks]

ANSWER ALL QUESTIONS IN THIS SECTION

Tick the correct answer in the space provided.

1. The following are examples of **basic needs**
 - (a) food, shelter, education. ☐
 - (b) food, shelter, clothing. ☐
 - (c) shelter, clothing, transport. ☐
2. The following are examples of **capital**:
 - (a) machinery, office computer, printing press ☐
 - (b) manual tools, sea, banana plantation ☐
 - (c) ambulance, TV set at home, personal watch ☐
3. In a **co-operative**
 - (a) there is the principle of one person having one vote. ☐
 - (b) voting power is according to the number of shares held. ☐
 - (c) all profits are retained by the co-operative itself. ☐
4. **Unlimited liability** means:
 - (a) The firm can produce and sell whichever products it wishes to produce and sell. ☐
 - (b) There is no limit to the number of shareholders that there can be in a company. ☐
 - (c) The owner/s will be kept personally responsible for any liabilities of the firm. ☐
5. The following form part of the **public sector** of the Maltese economy:
 - (a) the Police Corp, the Maritime Authority, Go plc ☐
 - (b) Simonds Farsons Cisk plc, HSBC (Malta) plc, Bank of Valletta plc ☐
 - (c) Enemalta Corporation, Water Services Corporation, the Armed Forces ☐
6. The following are business functions, **except**
 - (a) Research and Development, Finance, Marketing ☐
 - (b) Purchasing, Personnel, Production Department ☐
 - (c) Purchasing Department, Profits, Legal Department ☐

7. An **organization chart** shows
- (a) whether the firm is decentralised or centralised. ☐
 - (b) the internal structure of an organisation. ☐
 - (c) the contacts that the firm has with other firms. ☐
8. A manual worker has become redundant because work has become automated. This is an example of
- (a) technological unemployment. ☐
 - (b) cyclical unemployment. ☐
 - (c) seasonal unemployment. ☐
9. The best means of **transport of cars** from one country to another is
- (a) air transport. ☐
 - (b) sea transport. ☐
 - (c) road transport. ☐
10. **Demand** may be defined as
- (a) the amount of a good or service that producers are willing and able to produce. ☐
 - (b) the amount of a good or service that consumers are willing and able to buy. ☐
 - (c) the amount of a good or service that shopkeepers are willing and able to stock. ☐

SECTION B

[20 marks]

ANSWER ALL QUESTIONS IN THIS SECTION.

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

1. What is a **mixed economy**?

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

3. Define a **laissez-faire style of management**.

4. Which are the **seven Ps of the marketing mix**?

5. What does the **product life cycle** show?

6. What does the term **Just-In-Time (JIT)** mean as used in stock control?

7. What do you understand by **copyright**?

8. What is a **pie chart**?

9. What is **decentralisation**?

10. Define **division of labour**.

SECTION C**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:**

Peter is a tailor. He has been working on his own as a part-time job sewing jeans at his own home which he sells to a Monti hawker. Recently he has been thinking of expanding his business. He needs to transform his garage into a workshop, buy more machines and employ some workers. To do all this he needs additional finance to pay for the machines, to pay the workers' wages and to pay for the material. He would like to have a partner with him to form a partnership so that there will be more funds in the business and at the same time the partner will help Peter with his work and with decision-making.

- (a) What type of business is Peter's present business? (2 marks)
- (b) Mention one advantage and one disadvantage of such a business as Peter's. (2 marks)
- (c) In which stage of production is Peter working? (2 marks)
- (d) What is a partnership? (2 marks)
- (e) Mention one advantage and one disadvantage of a partnership. (2 marks)
- (f) How many partners can there be in a partnership? (2 marks)
- (g) Which document do partners usually draw up when a partnership is formed? (2 marks)
- (h) Is the partner that Peter would like to have with him an **active** or a **sleeping** partner? (2 marks)
- (i) Explain the difference between an active partner and a sleeping partner. (4 marks)

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

A local firm needs to employ more workers. The HR department prepared the job description and the job specification. Soon applications together with CVs started to arrive.

- (a) What does the abbreviation HR stand for? (2 marks)
- (b) Explain briefly the role of the HR department in a business organization. (2 marks)
- (c) What is the job description? (2 marks)
- (d) What is the job specification? (2 marks)
- (e) Mention two ways how a firm can advertise its vacancies. (2 marks)
- (f) What does the abbreviation CV stand for? (2 marks)
- (g) Mention four elements that the document referred to in (f) above contains. (4 marks)
- (h) A firm accepts some of the applications and refuses some other. What is this process called? (2 marks)
- (i) What do we call the last stage of the recruitment process which firms usually use to finally choose the workers they require? (2 marks)

SECTION D

ANSWER ALL QUESTIONS IN THIS SECTION.

Answer in the space provided.

(a) The aim of the communication process is _____

(2 marks)

(b) One-way communication is _____

(2 marks)

(c) Two-way communication is _____

(2 marks)

(d) Internal communication is _____

(2 marks)

(e) External communication is _____

(2 marks)

(f) An example of internal communication is _____ (1 mark)

(g) An example of external communication is _____ (1 mark)

(h) Verbal communication is _____

(2 marks)

(i) Non-verbal communication is _____

_____ (2 marks)

(j) An example of verbal communication is _____ (1 mark)

(k) An example of non-verbal communication is _____ (1 mark)

(l) Mention two (2) problems that could obstruct the process of communication.

_____ (2 marks)