

FORM 4

BUSINESS STUDIES

TIME: 1h 30min

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. **Money** can make an exchange of goods and services easier because it is:

- (a) worth quite a lot
- (b) a medium of exchange
- (c) portable and increases in value by time

2. If a businessman intends to sell products that are bulky when finished in relation to their price, he would **locate** his business near:

- (a) other firms
- (b) the market for his products
- (c) natural resources

3. For a factory to **grow and have control over the retail outlet selling its products**, a solution could be:

- (a) lateral integration
- (b) backward vertical integration
- (c) forward vertical integration

4. A main reason why some businesses are **nationalised** is because they:

- (a) are too important for the country to be left in the hands of private individuals
- (b) can provide a large income for the government
- (c) compete with other firms to maximise profits

5. A **royalty payment** is usually associated with:

- (a) co-operatives
- (b) government departments
- (c) franchise agreements

6. The **survival of a small firm** may depend on:
- (a) low running costs and perhaps a niche market
 - (b) a high degree of specialisation
 - (c) giving contracts to other firms

☐

7. A **basic consumer right** is the right to:
- (a) protect the environment
 - (b) compete in fair trading
 - (c) choose and be informed

☐

8. A **Trading Bloc** refers to:
- (a) a group of suppliers of raw materials
 - (b) activities that occur in the secondary stage of production
 - (c) member countries who agree to trade freely between themselves

☐

9. The **tax paid by a company** is known as:
- (a) income tax
 - (b) corporation tax
 - (c) inheritance tax

☐

10. **Job rotation** is resorted to so that **workers do not**:
- (a) get bored doing the same job
 - (b) obtain job satisfaction from their work
 - (c) experience job enrichment

☐

SECTION B: ANSWER ALL THE QUESTIONS IN THIS SECTION.

ALL QUESTIONS ARE TO BE ANSWERED ON THE FOOLSCAPS PROVIDED.
This Section carries a total of 60 marks.

• Case Study 1

Read the following extract and then answer the questions set on it.



The Marketing Department within the Head Office of a Multinational Company gives great importance to marketing techniques in order to be ahead of other businesses. For example, its marketing officials get deep into the hearts and minds of customers to find out precisely what they (customers) really want and subsequently find ways to satisfy their wishes.

Thus in order to meet customers' needs, the marketing department develops **products** to satisfy the customers, charge the right **price**, send the goods to the right **place** (making sure that the product is available when needed) and make the existence of the product known through **promotion**.

Above all, the Marketing Department sees that the company's products and services match different market segments and so reach a wide audience.

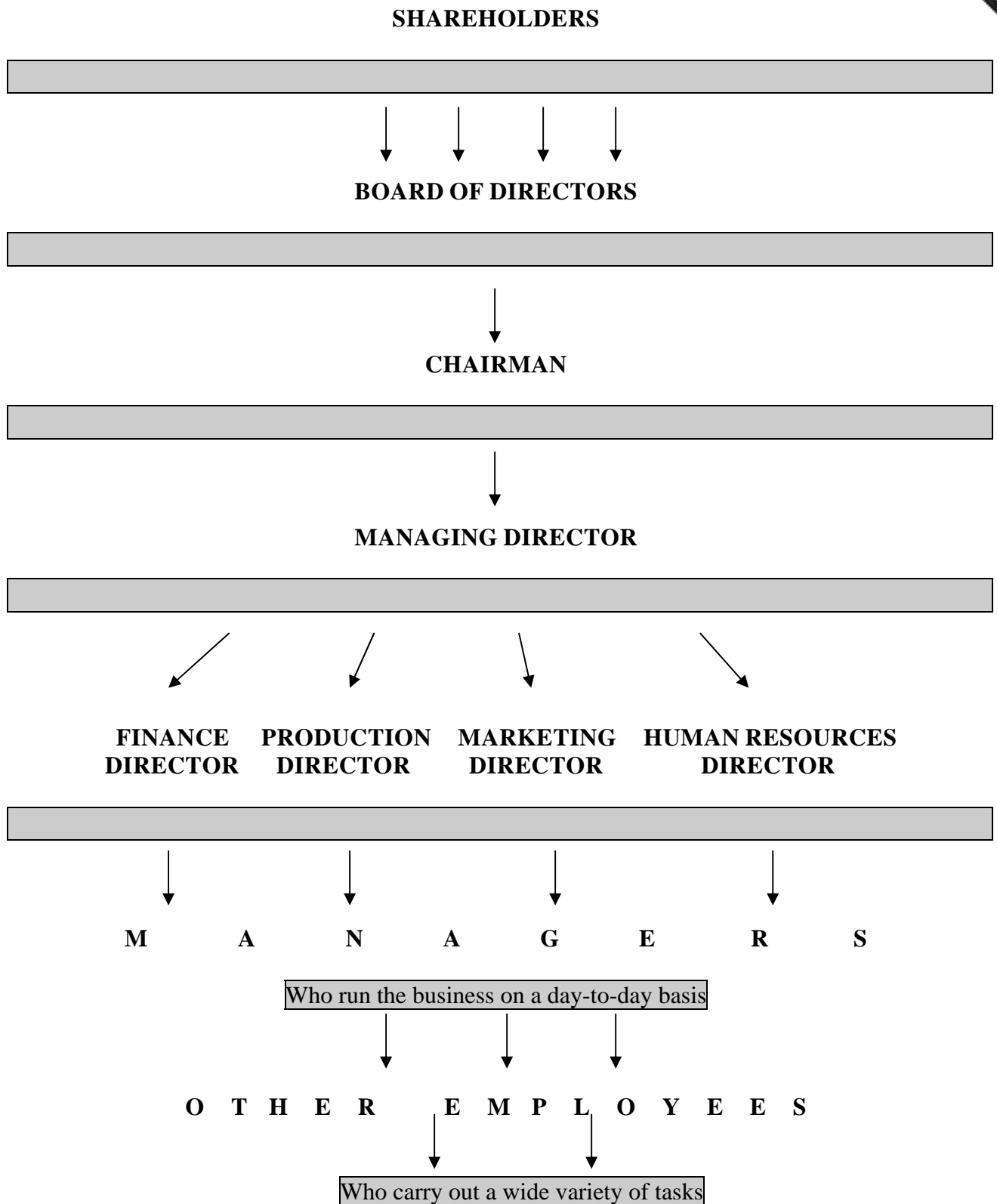
As the company involves itself in international trade, it takes into consideration several aspects, such as the culture & beliefs of the importing countries, as well as any import controls involved.

- Define the three (3) **underlined terms**. (6 marks)
- Give a term to describe the process of finding "out precisely what they (customers) really want" and state why this is necessary. (3 marks)
- Write down the term used to refer to the **product, price, promotion and place** or as sometimes known as the 4 P's. (1 mark)
- Apart from the 4 P's, nowadays, especially in the case of services, **another 3 P's** are observed. Which are they? (3 marks)
- From the extract, find another term which means "Barriers to Trade" and name three (3) of these **barriers**. (4 marks)
- Describe what methods and media you would use to promote the arrival of a famous singer in Malta who would be giving a concert in an open air arena. (3 marks)



- Case Study 2

Examine the Organisation Chart below and then answer the questions related to it.



- a. How would you **define an organisation chart**?
- b. **Take the following descriptions of roles/responsibilities of the different persons involved in the chart and place in the right shaded boxes provided.** To help you, two of the descriptions of roles, namely of the Managers and the other Employees have already been inserted in place.

The rest are:

- (i) **Who are in charge of specific sections of the business;**
- (ii) **Who control the company;**
- (iii) **Who own the business;**
- (iv) **Who takes responsibility of the Board of Directors; and**
- (v) **Who takes responsibility for the overall daily running of the business.**

(5 marks)

- c. What is the **span of control** of the **Managing Director** of the firm? (2 marks)
- d. **Fill in the blanks in the paragraph that follows, using these words: responsibilities, speed, motivation, costs, management, command.**

“Delaying involves the elimination of one or more levels of _____ in an organisation. This ensures that some of the _____ are decreased, whilst the _____ at which decisions are made is improved because the chain of _____ is shortened. Also delaying increases _____ of managers that are left, since they will be entrusted with more _____.

(6 marks)

- e. List five (5) duties of the Human Resources Section of the firm. (5 marks)

• Case Study 3

Read the extract presented below and then answer the related questions.

It appeared that somehow the firm was not performing according to the provisions of Environmental Law. In fact, from investigations by the Environment Agency, it resulted that the factory was polluting the nearby, local river due to a leakage from a waste pipe.



The business's reputation was at stake and the firm could lose its brand loyalty. The AGM was soon to be held but the Managing Director planned to arrange a meeting with the Chairman and Board of Directors to explain the situation and to try to find suitable solutions to the problem being faced. He called his secretary to see to the Agenda and to send a copy to all involved. He hoped that the unpleasant situation would be solved as early as possible.

- a. Write **two (2) sentences** on **each** of the **four (4) underlined terms**, making sure that you give their meanings or clearly show what they are about. (8 marks)
- b. By referring to the meaning of “**Business Ethics**”, do you consider the firm in question as **behaving according to “Business Ethics”**? Give a **reason for your answer**. (4 marks)
- c. It is important for the firm to keep its good reputation with customers and to satisfy them in every possible way. **Apart from customers' satisfaction**, can you **name two (2) other Business Objectives**? (2 marks)
- d. State **one (1) benefit** of having a **face-to-face meeting** to remedy the situation. (2 marks)
- e. By what **modern, electronic means of communication** can the **Agenda be sent to the Board of Directors**? (2 marks)
- f. **Name and describe an important document** that is composed (usually by a secretary), **during a meeting**. (2 marks)

SECTION C: CHOOSE ONE (1) OF THE FOLLOWING TOPICS AND ANSWER THE RELATED QUESTIONS ON THE FOOLSCAPS PROVIDED.

Each topic carries a total of 20 marks.

1. Public Limited Companies can have their shares traded at the Stock Exchange and so shareholders invest more willingly in such companies.

- a. Distinguish between a Private Limited Company and Public Limited Company by highlighting four (4) differences between them. (8 marks)
- b. What is the Stock Exchange and what is its importance to businesses, investors and government? (8 marks)
- c. What is meant by being “listed on the Stock Exchange and who is the regulator of the Malta Stock Exchange? (4 marks)

OR

2. Since the beginning, man was never satisfied with what he had and wanted more. Through barter he could obtain some more things he did not have, but then, division of labour and mass production greatly increased levels of production. Still, man continues to have to choose what to consume and to experience “opportunity cost”.

- a. Describe how man’s insatiable nature leads to “opportunity cost”, making sure you explain what is meant by “opportunity cost”. (4 marks)
- b. Define “barter” and list two (2) of its disadvantages. (6 marks)
- c. Explain how “division of labour” increased production and discuss the advantages and disadvantages of “division of labour”. (10 marks)

OR

3. Trade Unions provide great benefits to their members but, up to a certain extent, they are also appreciated by employers.

- a. Define “Trade Unions”, giving examples of different categories of unions and also the names of three (3) major Trade Unions in Malta. (8 marks)
- b. Describe the functions of Trade Unions and any actions they can take in a Trade Dispute when there is a deadlock. (10 marks)
- c. Why are Trade Unions also important for employers? (2marks)