

MIND-VENTURES EDUCATIONAL SERVICES

Business Studies Revision – Final Mock Examination – 2.2

- ✓ Answer all questions
- ✓ Time allowed is 3 hours
- ✓ Each question is for 20 marks
- ✓ Write according to the marks allocated
- ✓ Write precise answers by quoting suitable examples when needed
- ✓ Do not write bluff at any point

Question 01

1. Owners are not the only ones interested in a business. There are many parties. Since they have different & sometimes contradicting interests, balancing them is a challenge for a business.
 - I. Write down 4 such stakeholders
 - II. What is meant by a stakeholder & why a business cannot ignore them?
 - III. Write down 4 challenges faced by businesses when balancing the contradicting expectations of different stakeholders
2. Business have evolved a lot during the last few decades a lot.
 - I. What is meant by a market space?
 - II. Businesses can be classified based on scale & objectives. Write down 4 additional bases in addition to the above
 - III. State the stages of development in business
 - IV. What is barter system & why didn't it succeed for too long?
3. Globalization will affect businesses & products a lot throughout the years.
 - I. How can you classify products based on usage, tangibility & durability?
 - II. What is meant by globalization?
 - III. How will globalization affect a businessman in Sri Lanka? Give 4 reasons
4. Population & stakeholders have a relationship in business context.
 - I. Write down some internal environmental forces affecting your school
 - II. It is evident that the elderly population is increasing which will create opportunities as well as threats. Write down 2 each of such opportunities & threats.
 - III. What are the new business opportunities arising due to increase in females in the working force?
 - IV. The power of pressure groups are increasing significantly. What is a pressure group & why it is important to analyze them?
5. A business code of ethics is must to ensure business success, smoothness & sustainability
 - I. What is meant by business code of ethics?
 - II. What are a business' responsibilities towards employees & owners? Write separately
 - III. A CSR objectives be achieved by only giving something back to the society? Explain

Question 02

1. The government has taken major steps to ensure the protection of consumer rights especially by setting up the consumer affairs authority;

- I. Just as there are consumer rights, so are consumer responsibilities. Write 4 of them
 - II. What are the objectives of setting up Sri Lanka Standards Institution?
 - III. You have got to know that a business is selling food products unsuitable for consumption. What is the government organization you can complain regarding this & state what are the consumer rights the seller is violating by this action.
2. Standards are important for a producer as well as consumer;
- I. Many local products compulsorily require SLS certification but not ISO. Still for then why many businesses today are adopting ISO standards to their businesses & products?
 - II. What is the organization issuing standards in Sri Lanka?
 - III. Write short notes on HACCP & GMP certificate.
 - IV. What are the steps taken by the government to discourage smoking in Sri Lanka?
3. Businesses range from small sole-proprietorships to large companies.
- I. What is a limited company & what are special features found in it?
 - II. 4 friends who have been together during the 13 years of school, call themselves as “partners in crime”. Can you refer them as partnership? Explain
 - III. What are the duties & responsibilities of a partner?
 - IV. What are the similarities & differences between sole-proprietorships & partnerships?
4. This range of businesses can include many elements or organizations.
- I. What is a joint venture? How is it different from a partnership?
 - II. What are the basic features found in a conventional business?
 - III. What are the advantages of converting a sole-proprietorship into a partnership & the disadvantages of converting a partnership into a private limited company?
 - IV. What is a multinational company & how it will affect a nation?
5. Cooperatives are a good solution for the local rural economic system, but many prefer a PLC or a franchise for many things.
- I. Where should you register a cooperative society & what are the documents to be submitted for it?
 - II. How has the cooperative system contributed to the country’s economic development?
 - III. What is a prospectus & what the info to be included in it?
 - IV. How can you differentiate a franchise & an agency?

Question 03

1. Every entrepreneur is unique & will benefit a nation in many ways;
 - I. What is entrepreneurship?
 - II. How will entrepreneurship benefit a nation?
 - III. Every entrepreneur is a manager. Do you agree? Discuss
2. Small businesses contribute more to a country’s productivity at a rural scale.
 - I. What is a small business & what are the features unique to a small business?
 - II. What are the qualitative criteria used by the government to differentiate small business from large businesses?
 - III. Why the government wants to do such differentiation?
 - IV. What kind of relationship do you see between a small business & large? Explain
3. Many businesses use & accept cheques as a method of payment in addition to cash;

- I. What is a cheque & cheque counter foil?
 - II. What are the advices you would offer to a new user when writing cheques?
 - III. Cheques are used for money laundering purposes too. What is black money & what are the steps that can be taken to minimize the usage of black money?
 - IV. What is e-banking & why it is very famous today even in Sri Lanka?
4. A cheque can be easy as well as risky in many instances;
- I. Write 2 instances each where a payment for a cheque will not be made by the bank due to mistakes by the drawer & payee
 - II. Albert stole the cheque book from Gilbert, wrote the info, submitted to the bank & cashed it. Is the bank responsible for Gilbert's loss? Explain
 - III. What is an order cheque & how can you transfer an order cheque to a third party?
 - IV. What is a postdated cheque & why persons issue such cheques?
5. E-money cards are more accepted by dealers than cheques in Sri Lanka;
- I. What are the reasons for the above situation?
 - II. What is meant by credit rating? Why will a lender want to do it on a potential borrower?
 - III. What are the other benefits a bank will provide in addition to deposits & loans?
 - IV. What is a unit trust & what are the benefits the investor community can obtain by it?

Question 04

1. An insurance policy is beneficial for both individuals & businesses;
 - I. What is liability insurance & what are the types of liability insurance policies found?
 - II. What is re-insurance & what are its benefits to the insurer & insured?
 - III. A life insurance policy is more beneficial than a savings account. Discuss
 - IV. What is the minimum insurance requirement for a motor vehicle on road? What the risks covered by it?
2. Even in a technologically advanced era, still business letters are used heavily.
 - I. What are the reasons for the above statement?
 - II. Why mobile phones are very famous in Sri Lanka today? Name & explain your answer.
3. Write down an analysis comparing the pros & cons of air sea freight to transport garments to western markets.
4. Foreign trade still has many barriers;
 - I. Draw up a flow chart classifying such barriers as natural & man made
 - II. How will a pro-forma invoice, warehouse warrant, import entry form & insurance certificate be important for an importer?
5. Today we see many trade blocs around the world formulated by different nations;
 - I. What is a trade bloc & what its advantages & disadvantages to a member nation?
 - II. What are the advantages of a e-business concept to a traditional business & what are the reasons for the reluctance of many such businesses to adopt it?

Question 05

1. A successful company needs a vision & mission;
 - I. Explain the above two concepts

- II. A role of a manager is being the figure head. What is this role & what activities involved in it?
- III. What are the other roles found in addition to the above?
- IV. What are the benefits that can be obtained by introducing working standards?
2. Planning is the start of an business process;
 - I. What is the relationship between planning & other elements?
 - II. What are the steps in planning?
 - III. What are the features of a good plan?
 - IV. Goals are qualitative while objectives are quantitative. Do you agree? Discuss
3. A manager's role in a business becomes dynamic & crucial day by day;
 - I. What should a manager do to ensure effective control in a business?
 - II. What is delegation of authority & what are its benefits?
 - III. Why many managers are reluctant to plan work?
 - IV. Power is broader than authority. Do you agree? Discuss
4. Toyota introduced JIT system to the world;
 - I. What is this system?
 - II. What are its benefits & drawbacks to a business organization?
 - III. Why is maintaining quality at a higher level important to a business?
 - IV. How can a business check the quality of its products?
5. A Chinese delegation of investors have expressed interest to invest in Sri Lanka for a seven star hotel;
 - I. What are the factors considered when selecting the location to set up a hotel?
 - II. What are the groups that can influence the above process?

Question 06

1. Holistic marketing is beneficial in the short as well as long run;
 - I. What is holistic marketing?
 - II. Explain its relationship with relationship marketing
 - III. Explain the relationship between value, satisfaction & quality
2. A publisher is planning to launch a weekly student newspaper targeting the advanced level students. They are very much concerned on how to promote their product;
 - I. What is meant by sales promotions?
 - II. What are such sales promotional tools available for the above product?
 - III. What is personal selling?
 - IV. Can they use personal selling for the above product?
3. The marketing mix shows the total picture of marketing of a business;
 - I. What is the marketing mix?
 - II. The elements of it are in the seller's point of view. How can you relate it to the buyer's point of view?
 - III. What are the additional elements adding up when it comes to services?
 - IV. Out of all the elements, what is the element Sri Lankans are mostly concerned of? Explain your answer.
4. The Colombo stock exchange is the hub of share trading in Sri Lanka;

- I. What are the securities exchanged at the CSE?
 - II. Explain the concept “Capital Gearing” & state how can it change in a company?
 - III. Write 2 examples each for securities traded in the money market & capital market
 - IV. Discuss the contribution of CSE to the Sri Lankan economy
5. An investor can trade securities from the primary as well as secondary market;
- I. Differentiate the above 2 markets
 - II. What is the S&P SL20 index & what are the benefits of such indices to anyone?

Question 07

1. The following is the statement of financial position of Mal-sara PLC as at 31st March 2016;

Item	Rs. 000's	Item	Rs. 000's
Ordinary share capital	3,000	Fixed assets	7,700
12% preference share capital	3,000	Stocks	800
General reserve	1,000	Debtors	750
15% debentures	2,000	Cash & bank	150
Creditors	300	Prepayments	50
Accrued expenses	150		
Total	9,450	Total	9,450

In addition to the above; other additional information can be; cost of sales Rs. 6,400,000/-, profit after tax Rs. 1,640,000/- & income tax Rs. 1,000,000/-.

- I. State separately the internal & external sources of finance in the above example
 - II. Calculate the debt to equity ratio, quick ratio, interest cover, stock turnover ratio & the working capital of the business.
2. Human resources are special compared to other resources;
- I. What are its special features?
 - II. What are the benefits a retiring employee will get from his employer?
 - III. What are information to be included in a job application?
 - IV. What are problems of having interviews?
3. Daniel has been promoted from deputy manager to manager of finance by the company management;
- I. What can be the reasons for the above decision?
 - II. What are the problems arising from a decision like the above?
 - III. What is an HR plan?
 - IV. What are factors considered when preparing it?
4. Selection process can be very complicated for many businesses;
- I. What is an appointment letter & what are the information found in it?
 - II. Briefly explain background investigation, probation period, collective bargaining & industrial relations
 - III. What are the advantages & disadvantages of on-the-job training?
5. A business is considering internal & external sources to fill a vacancy
- I. Differentiate the above 2 sources
 - II. What are the problems found in each source?
 - III. If the internal source is preferred, internal disputes may arise. Do you think so? Discuss

Question 08

1. Every business will have an information system whether they know it or not.
 - I. What is an information system?
 - II. What are its elements?
 - III. What are the benefits a business can obtain by computerizing its information system?
2. A supermarket has a POS system which is linked to the head office by internet;
 - I. What is meant by TPS?
 - II. How it is helpful for a business?
 - III. What is meant by internet, intranet, extranet & multimedia? Explain briefly
3. Different levels use different information systems;
 - I. Draw up a flow chart showing different levels of managers & the systems they use
 - II. Every activity today is being computerized. What are the problems arising due to it?
4. A business plan will broaden the probability of a business' success. Do you agree? Discuss
5. A business plan is simply a document
 - I. Do you agree with the above statement? Explain
 - II. What are the parties using the business plan?
 - III. State 4 situations when a business plan is prepared
 - IV. Why it is important to prepare a business plan?

Note – This is simply a mock examination paper for the students of Mind-ventures Educational Services only & not allowed unauthorized referencing, extractions, usage etc by external parties mainly other students & teachers. Mind-ventures believes in & implements ethical teaching practices at all times.

Dilon Anthony's