

MIND-VENTURES EDUCATIONAL SERVICES

Business Studies Revision – Final Mock Examination – 4.2

- ✓ 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. It's not only the owners who are interested in a business but many stakeholders & therefore the business has a challenge in balancing them as their interests are varied.
 - A. How can you define a stakeholder of a business?
 - B. In addition to owners, who are the other stakeholders interested in a business? Write 4
 - C. What are the challenges faced by a business when balancing their expectations in a dynamic business environment? Write 4
 - D. What are the negative consequences of ignoring stakeholders & their expectations? Write 4
2. Unsought goods are mostly not industrial goods. But a producer of furniture says different;
 - A. What is unsought goods & write 3 examples you can identify today.
 - B. The market space is the best alternative to market unsought as well as many goods. How can you define it? Write 4 examples you know of such in Sri Lanka.
 - C. In addition to unsought goods what are the other consumer & industrial goods found?
 - D. How can you categorize the following of the furniture producer as under types of industrial goods? They are stationery, timber, fuel, machinery, electricity, steel, factory buildings, management consultancy, motor vehicles, spare parts, paint & cleaning materials.
3. From barter system till globalization, businesses have evolved greatly over the centuries;
 - A. How can you explain the above 2 concepts?
 - B. Why did the first one fail? Write 4 reasons
 - C. How will globalization affect a Sri Lankan business in a dynamic business world? Write 4
 - D. In a globalized environment, how can we classify products based on usage, durability & tangibility?
4. Your school is affected by both internal & external forces;
 - A. Draw up flow chart classifying a business environment. Write down sub factors based on your school.
 - B. Based on the internal sub factors, do an analysis of strengths & weaknesses regarding your school.
 - C. Since the aging population is increasing, write down 2 positive & 2 negative impacts on your school
 - D. In this environment, the impact from pressure groups haven't decreased. Define them & state how they can influence your school?
5. A business' values are based on its code of ethics;
 - A. How can you define a business' code of ethics? Write 2 reasons why it is important?

- B. Write 2 responsibilities each of 4 parties to whom a business' responsibility falls upon?
- C. What are the negative consequences of not providing social responsibility? Write 4
- D. Just by giving back to the society, can a business provide social responsibility? Briefly discuss

Question 02

1. A customer has rights as well as duties;
 - A. Write down 4 consumer rights & the 2 parties who published them
 - B. What are the consumer responsibilities? Write 4
 - C. What is expected by the government by setting up the SL standards institution? Write 4
 - D. If a business plans to sell expired foods, what are the organizations in Sri Lanka to complain & what are the methods of complaining?
2. Both SLS & ISO are popular standards in Sri Lanka;
 - A. Even though SLS is compulsory for many products & ISO is not, still why many businesses prefer getting it? Write 4 reasons
 - B. What is the organization making SLS compulsory for certain products & write 4 products included in the list.
 - C. Write very short notes on HACCP, GMP certificate, Energy Rating & ISO 9001:2015
 - D. What steps have been taken by the government to reduce tobacco consumption in Sri Lanka? Write 4 steps
3. A business can range from sole proprietorship to a limited company;
 - A. What is a limited liability company? Why it is special compared to other business types?
 - B. What are the types of limited companies that can be registered as per the companies act?
 - C. What responsibilities of partners can be found in a partnership? Write 4
 - D. Write 2 similarities of sole proprietorships & 2 differences of limited liability companies compared to partnerships
4. Many partnerships start as joint ventures;
 - A. What is a joint venture? How can it be different from a partnership? Write 4
 - B. What are the common basic features found in any type of business organizations?
 - C. Write 2 disadvantages of converting a sole proprietorship into a partnership & Write 2 advantages of converting a partnership into a limited liability company
 - D. What is a multi-national company & how it can impact a country both positively & negatively? Write 2 reasons each
5. Both cooperatives, limited companies & franchises serve a country in different aspects;
 - A. What are the documents to be submitted for the registration of a corporative society & to which organization it must be submitted?
 - B. Write 4 principles of cooperatives & write 4 ways it can help in the economic development of Sri Lanka
 - C. Define a prospectus & write 2 factors/information included in it. If a company makes an IPO of 800k shares at Rs. 20/- each & receives 1M applications, how much its stated capital will be if allotments were made on pro-rata? If a shareholder who applied for 35,000 shares sold it at Rs. 25/- per share, how much is his capital gain or loss?
 - D. What are the duties of a franchisee in a franchise agreement (write 4) & how can a franchise be different from an agency? Write 2 differences

Question 03

1. All successful businesses have successful entrepreneurs;
 - A. What is entrepreneurship & what are the benefits of it to a nation? Write 4
 - B. Who is an entrepreneur & what are the 4 types of entrepreneurs found?
 - C. All entrepreneurs are managers while all managers are entrepreneurs. Write 2 similarities & 2 differences between them.
 - D. Write down 4 problems faced by entrepreneurs in Sri Lanka.
2. Most businesses start small;
 - A. What is a small business? What are the special features of it?
 - B. What are the qualitative & quantitative factors used to identify them? Write 4 each
 - C. Why is the government trying to identify them separately? Write 4
 - D. Both small & large businesses have similarities. Discuss
3. Banking spans from cheques to internet banking over the years;
 - A. What are the 3 parties in a cheque & what advice you can give to a new user of current accounts on writing cheques? Write 4
 - B. What are 2 types of crossings of cheques & what benefits can the drawer obtain from it? Write 4 benefits
 - C. What is internet banking? How is it beneficial for both the bank & customer? Write 4 each
 - D. What steps can be taken by the government to control circulation of black money? Write 4
4. Cheques have many complications;
 - A. A cheque can be refused for payment for many reasons. Write 4 reasons each of mistakes by the drawer & payee that may prevent payment.
 - B. What are the 3 types of cheques found & what needs to be done when a cheque cannot be transferred to a third party as it is?
 - C. What is a postdated cheque? Why many drawers write such cheques? Write 4 reasons
 - D. What are reasons for many businesses to refuse taking cheques from customers? Write 4
5. Loans are the main source of income for banks;
 - A. What factors will a bank consider before giving a loan to someone? Write 4
 - B. Why banks today prefer sales credit options than cash credit options? Write 4 reasons
 - C. Write 4 services provided by licensed commercial banks in addition to taking deposits & providing loans.
 - D. Write the 3 parties involved in a unit trust & write 3 benefits of unit trusts to a country

Question 04

1. In a risky business environment insurance is the handy solution;
 - A. What is insurance & what are its principles?
 - B. What is liability insurance & what are its types?
 - C. What is re-insurance & how it will benefit both the parties in insurance? Write 2 each
 - D. What is the least insurance policy required to put a vehicle on road & why many vehicle owners don't prefer it?
2. Business letter are the most famous in written communication today;
 - A. What are the important elements to be included in a business letter? Write 4
 - B. How mobile phones today have changed beyond a simple communication device? Write 4

- C. Why many businesses today prefer e-communication over the others? Write 4
- D. What are the inherent vice disturbances to effective business communication today? Write 4
- 3. Sri Lanka exports garments to Europe & uses shipping to transport;
 - A. Why shipping is good & bad for garments compared to air freight? Write 2 each
 - B. What factors will the exporter consider before selecting a suitable transport medium? Write 4 factors considered.
 - C. What are the elements of a transport system?
 - D. What will be the future of transportation? Write 4
- 4. Foreign trade is the life line for foreign exchange income;
 - A. Prepare a table classifying barriers of trade as natural & man-made
 - B. How will pro-forma invoice, warehouse warrant, import entry form & insurance certificate be important for an importer?
 - C. How indent, bill of lading, certificate of origin & sanitary certificate be helpful to an exporter?
 - D. What is the role of banks in foreign trade? Briefly discuss
- 5. Many nations form trade alliances for many reasons;
 - A. What is a trade bloc? Name 2 trade blocs Sri Lanka is a member of.
 - B. How can being in a trade bloc be both good & bad for a nation? Write 2 each.
 - C. What benefits can a Sri Lankan business get by going online? Write 4
 - D. Still why many businesses are not adopting an e-business approach? Write 4

Question 05

- 1. A visionary business is long lasting;
 - A. Explain vision along with the 3 concepts that follows it
 - B. What is meant by the role figurehead? What are its sub roles? What are the other 2 roles played by a manager?
 - C. What benefits an organization can obtain by work standardization? Write 4
 - D. Why many managers fail overtime? Write 4 reasons
- 2. Planning is the first step;
 - A. Explain the relationship between planning & other management functions
 - B. Write down the steps in the planning process of a chocolate factory
 - C. What are the qualities to be found in a good plan? Write 4
 - D. Goals are qualitative while objectives are quantitative. Explain both theories & write 2 differences between them
- 3. A manager has to be effective & productive;
 - A. What are the 3 levels of controls & other methods of control available for a manager?
 - B. What is delegation of authority? What are its benefits to a business?
 - C. What many managers today will face for not planning & organizing properly? Write 2 each
 - D. Power is broader than authority. Do you agree? Discuss.
- 4. Inventory control is a vital element in operational control;
 - A. What is JIT? How can it be good & bad? Write 2 each.
 - B. What are the factors considered by a factory when deciding the right level of stocks? Write 4
 - C. What steps can be taken by a business to improve its product quality?
 - D. How can mechanization & robotization be good & bad in the employees' perspective?

5. Operational planning is a must under business planning;
 - A. What factors will be considered by an investor before selecting the location for a 5 star tourist hotel to be started in Sri Lanka? Write 4
 - B. What are the pressure groups who can influence this business decision?
 - C. What are the 4 types of layout planning found in factories?
 - D. What factors will be considered before deciding the layout plan? Write 4

Question 06

1. Holistic marketing concept is the most recent;
 - A. What is the meaning of this concept & what are the sub elements of it?
 - B. Very briefly explain the simple difference between selling marketing concepts.
 - C. Write 8 core marketing concepts you are aware of.
 - D. What is sales promotions & write down 8 sales promotional tools found
2. The core of marketing is the marketing mix;
 - A. What is meant by the marketing mix? What are its elements?
 - B. Draw up a table including all sub elements for a marketing mix.
 - C. How can the marketing mix be equal to a customer's perspective?
 - D. What are the elements that make up the service marketing mix?
3. Even though customers in Sri Lanka are price conscious, the production concept failed;
 - A. What is meant by that concept? What are its features?
 - B. What are the reasons for the above? Write 4
 - C. Why the product concept too didn't be the total solution for Sri Lanka
 - D. How customer concept becomes helpful to a business, when marketing concept struggles? Discuss the point.
4. The CSE is the capital market hub of Sri Lanka;
 - A. What is capital market & what are the instruments traded at the CSE?
 - B. What is meant by treasury bills, commercial papers, naked corporate bonds & non-voting ordinary shares?
 - C. How will the CSE assist economic growth in Sri Lanka? Write 4
 - D. Why many people in Sri Lanka don't invest in the stock market? Write 4
5. The capital market is divided as primary & secondary;
 - A. Distinguish between primary & secondary markets
 - B. What are the organizations involved & assisting in stock trading in Sri Lanka?
 - C. What factors will drive the stock prices in the market to increase? Write 4
 - D. What is S&P SL20 index? What is the purpose of calculating an index?

Question 07

1. Sources & ratios are an investment advisor's tools;
 - A. Prepare a table by classifying sources of finance
 - B. What are the factors considered when making investment & financing decisions? Write 2 each
 - C. What benefits can be obtained from a ratio analysis? Write 4
 - D. If market interest rates are rising, how it will affect the financing decisions of a PLC? Explain
2. HR is special compared to other resources;

- A. What are its special features? Write 4
 - B. What benefits a retiring employee from the private sector will get? Write 4
 - C. What are the important facts to be included in a job application? Write 4
 - D. What factors are considered when deciding salaries for employees? Write 4
3. An employee has been recently promoted;
 - A. What are the reasons & basis used by an organization for promotions?
 - B. How a promotion can be good & bad for the organization? Write 2 each
 - C. What are positives & negatives of face to face interviews? Write 2 each
 - D. Prepare a table classifying recruitment & its sub factors
 4. The appointment letter is the confirmation of hiring;
 - A. What are the factors included in an appointment letter? Write 4
 - B. Briefly explain background tests, PE, probation period & work to rule
 - C. Every manager is a HR manager? Do you agree? Briefly discuss
 - D. What is on the job training? How can this be good & bad for the organization?
 5. Interviews are always not successful;
 - A. Why interviews fail? Write 4
 - B. How internal recruitment can be better than external? Write 4
 - C. Why Sri Lankan companies prefer external recruitment? Write 4
 - D. Why disciplinary administration is needed? Write 4

Question 08

1. Information systems are the source for decision making inputs;
 - A. What is an information system? Draw up a flow chart indicating it.
 - B. What are elements found in a computer based information system (CBIS)?
 - C. What are the benefits of a CBIS than a traditional system? Write 4
 - D. How can you break down the technology used in information systems?
2. TPS to ESS all are vital;
 - A. What is TPS & ESS? How its helpful to a large scale multinational company? Write 2
 - B. Draw up a flow chart showing relationship between types of IS from TPS to ESS
 - C. What are the qualities found in a good information system? Write 4
 - D. What are the bases of classifying information? Write 4
3. Internet is the information super highway;
 - A. Briefly explain internet, intranet, extranet & tellnet
 - B. How using multimedia for education will benefit an AL student? Discuss
 - C. What are the problems of internet for the youth in the country? Write 4
 - D. What steps can be taken by an online business to minimize online fraud? Write 4
4. A business plan broadens the probability of a business' success;
 - A. What is a business plan? What are its sub plans?
 - B. Discuss the above statement briefly
 - C. What are the problems of not preparing one in a dynamic business world? Write 4
 - D. How can the internet help you in preparing a good business plan?
5. A business plan not just a statement with some numbers;
 - A. Do you agree with the above statement? Elaborate briefly

- B. What are the main parties using a business plan? Write 4
 C. What are the occasions where a business plan must be prepared? Write 4
 D. Explain how the financial plan is important in the business plan.




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