

# MIND-VENTURES EDUCATIONAL SERVICES

## Business Studies Revision – Final Mock Examination – 1.2

- ✓ Answer 5 questions (At least 2 questions from each part)
- ✓ 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

### Part A

#### Question 01

1. Mr. Geek opened a book shop near to his house as there was no bookshop in the vicinity. His main intention was to convert this business into a profit making business. He believes if not it cannot be a business.
  - I. Define the 2 types of businesses based on motive with supporting examples
  - II. Mr. Geek sees a business in a given angle & you as a business studies student have to elaborate how you see Mr. Geek's perception.
2. E-commerce & E-business are 2 inter-related concepts.
  - I. Define the above two concepts.
  - II. State the advantages of it to a business as well as a customer
3. A government may implement many economic policies such as fiscal & monetary.
  - I. Define the above 2 policies.
  - II. The government decided to increase taxes on imported products. State how this will affect the local economy
4. The current business environment is very dynamic as well as complicated. Many products used today will be outdated by tomorrow. Businesses should be intelligent enough to know what to produce today to fit tomorrow while knowing what the customer wants, his tastes & desires, marketing strategies etc. Name & briefly explain such new trends in the business world today with examples.
5. BSR is an important element of many businesses today
  - I. Why it is important for a business to involve in CSR?
  - II. Why many businesses are reluctant to spend their money on CSR

#### Question 02

1. Profit is the main aim of many private sector businesses today
  - I. Why profits are so important for a business today?
  - II. What are the problems of being over focused on profits?
2. Unlike never before a consumer highly needs consumer protection.
  - I. What is consumer protection? Why is it important in a competitive business world today?
  - II. Implementing consumer protection is the responsibility of the government. elaborate

3. A, B & C are owners of a private limited company. They have decided to convert it into a PLC & the ground work for it is being done now.
  - I. State the changes that needs to be done for this change
  - II. By the proposed conversion, what are the advantages & disadvantages experienced by the existing shareholders?
4. Pipe-dude PLC is a reputed company in the country for PVC pipes. At an EGM, the directors decided to issue Rs. 500 million worth ordinary shares with voting rights & Rs. 250 million worth of debentures in order to increase its capital.
  - I. What is the document to be prepared for the above requirement & state some facts to be included in it
  - II. Why is the company using both options to raise capital & how it will impact the company's control process
5. Mr. Austin Powers is a sole proprietor selling sweets. He plans to sell his products under the name "home-food".
  - I. State 2 acts affecting sole proprietorships
  - II. What is the act relevant to the above situation & how the act will come into effect?

**Question 03**

1. An entrepreneur will always identify business opportunities. He uses them efficiently & effectively through innovative ideas to fulfill human wants. He also contributes a product to the national productivity of the country
  - I. Who is an entrepreneur & what is entrepreneurship
  - II. Based on the above statement explain the relationship between opportunities, ideas & wants
2. The contribution from small businesses to Sri Lanka is very high & so is their contribution to the nation's economic development. Explain the contribution from small businesses to the Sri Lankan economy.
3. The central bank is the financial powerhouse of Sri Lanka
  - I. As per the monetary law act, who is responsible for the management of the Central Bank & how is its composition?
  - II. Explain some steps taken by the Central Bank to control commercial banks in Sri Lanka
4. Mr. Amdan is a minor employee who has neither an idea about accounts nor a bank account. He has received a cheque for his name with a crossing that says "payee's a/c only".
  - I. Advice Mr. Amdan has to how he can get his money
  - II. Can the bank refuse to pay for the above cheque? State 4 such steps
5. Image clearing of cheques was introduced to Sri Lanka in 2005.
  - I. What is the image clearing system?
  - II. What are its advantages?
  - III. What is the organization handling the image clearing process
  - IV. What are information that can be derived from the MICR?

**Question 04**

1. The principles set the foundation for insurance says your business studies teacher. Without these principles, insurance cannot be practiced.
  - I. What is insurance according to your view?
  - II. What are the 2 types of insurance available in the market today?
  - III. What are the principles that is ineffective when it comes to a policy of a human?
  - IV. The claim for a vehicle that met with an accident recently was rejected, by saying “causa-proxima”. What does this mean?
2. State 2 functions each of the following organizations in Sri Lanka;
  - I. National board on road safety
  - II. Department of motor traffic
  - III. Road development authority
  - IV. Sri Lanka Central Transport Board
3. A company went online recently. An intranet for internal use in the head office & branch networks, an extranet for communication with selected suppliers & distributors & the internet to communicate with all stakeholders especially customers.
  - I. Explain the above 3 concepts
  - II. Why many businesses today are opting for online trading options today?
4. Retail trade is subjected continuous change;
  - I. State some new trends of retail businesses today?
  - II. Define “Agreement Credit” & state examples
5. Global trade can be positive as well as negative to a nation;
  - I. State 4 positive factors of global trade to a nation
  - II. State 4 negative factors of global trade to a nation

**Part B****Question 05**

1. John Keells Holdings, a leading conglomerate in Sri Lanka once said that it wants to be; “The financial powerhouse of Sri Lanka by 2020”.
  - I. What is the concept the company is talking about?
  - II. Why will a company have such a concept?
  - III. What are the other concepts related to it?
  - IV. What are the questions to be answered by the next concept to it?
2. A newly appointed employee will be given an overview about the company’s hierarchy.
  - I. What are the 4 management concepts described in a hierarchy?
  - II. Define Delegation of authority & state 4 factors to be considered when doing it
3. Leading is the 3 element of the management process says the management experts;
  - I. Briefly explain the sub elements of leading
  - II. Why it is important to motivate employees?
4. The Japanese 5S concept can be used to increase organizational productivity. Explain this concept & state how this can be used in a factory
5. An organization’s cost can be classified using many bases

- I. Name 2 such bases
- II. How can cost be classified based on the way it behaves?
- III. Analyze the elements of a standard cost card
- IV. Why it is important to calculate cost?

**Question 06**

1. Setting up a factory on a given location may derive social benefits as well as social costs. Write down 4 such benefits & costs each.
2. For many businesses Economic Order Quantity (EOQ) is the Re-order Quantity (ROQ).
  - I. Define EOQ & ROQ
  - II. Show the EOQ in a graph (rough sketch)
  - III. What is the equation calculating EOQ?
  - IV. What are the expected benefits from calculating it?
3. Damro wants to produce conference hall chairs for left handed people. It's because there is untapped want that can be profitable & Damro wants to tap it before its competitors.
  - I. What is the market Damro is trying to tap into? How can you define it?
  - II. Why do you see that many businesses today want to tap into it?
4. When an organization does its advertising & promotions, it is important to consider a country's race, culture, religions, values, children's mindset etc so that they are protected. Its importance is highlighted unlike never before.
  - I. As per the above statement, what does the country need with regards to advertising & promotions?
  - II. How will an organization benefit by ensuring that the above are protected. Explain
  - III. What re the negative outcomes of not ensuring it?
  - IV. Explain the relationship between advertising & consumer affairs authority act
5. Define a business' working capital & state what are the consequences a business would face by not maintaining appropriate level working capital.

**Question 07**

1. The security & exchange commission (SEC) is the main regulatory authority of the Colombo stock exchange, says your best friend. Do you agree?
  - I. Write a short note on SEC
  - II. Who is a stock broker? State 2 duties of a stock broker
2. Liquidity & profitability have a negative relationship says your business studies teacher;
  - I. What is meant by market liquidity? Why there is a negative relationship between the above 2 concepts?
  - II. What are the benefits a small scale investor can get by investing in a unit trust?
3. An organization may opt for an internal as well as external recruitment. State advantages & disadvantages of both options for the organization
4. Name & explain the guidelines or bases used in giving a person a promotion in the job.
5. Good employer-employee relationships ensure overall productivity for both parties
  - I. What are the expectations & duties of an employee?
  - II. What are the negative outcomes of bad employer-employee relationships?

**Question 08**

1. Both data & information are equally important for a business. Differentiate both & explain the relationship between both elements.
2. A business information system plays a major role in a business' success. Discuss
3. Due to the covid-19 pandemic many new products have seen an increased demand while, many existing products have experienced a decline.
  - I. What are such new products that has seen a sudden increase in demand?
  - II. What can a marketing manager do rejuvenate the demand for products which have experienced a decline?
4. Name & briefly explain the factors to be considered when preparing a business plan
5. State a list of parties to be attracted from a business plan & explain the reasons for attracting such party.

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