



FWC

3rd Term Examination G.C.E. (A/L) – 2023

National Field Work Center, Thondaimanaru

Grade 12 (A/L) 2023

Business Studies I

Time: 3 hours & 10 Min.

Instructions:

- Answer *all* the questions *on this question paper itself*.
- Write your **Index Number** clearly in the space provided above.
- Select the correct answers for the questions No. 1 – 15 and write its number on the dotted lines given.
- Write short answers for the questions No. 16 – 25 on the dotted lines given.
- Each question carries **two** marks.

Index Number:.....

For examiner's use only

Q.No.	Marks
1 – 15	
16 – 25	
TOTAL	

- 01.** Select the answer which contains the characteristics of business,
- (1) motivated by profit, creating wants, existence of risk, having an organizational structure
 - (2) existence of transactions, having an objective, having a name, sales or exchange
 - (3) existence of risk, continuous transactions, sales or exchange, having legal transactions
 - (4) having legal transactions, having objective, motivated by profit, carrying out various transactions
 - (5) continuous transactions, creating wants, an economic activity, sales or exchange (.....)
- 02.** Select the answer related to task environment.
- (1) Implementation of labour acts
 - (2) Individual values
 - (3) Exit of competitors from market
 - (4) Less experience of employees
 - (5) Invention of natural resources (.....)
- 03.** Contributions of business in relation to sustainable development are given below.
- A – Protection of bio diversity
 B – Efficient use of resources
 C – Employee welfare facilities
 D – Protection of law and peace
 E – Development of exchange and transaction process
 F – Protection of human rights
- Which of the above can be considered as contributions for economic sustainable development?
- (1) A, B, E
 - (2) B, C, E
 - (3) D, E, G
 - (4) B, E, F
 - (5) A, D, G (.....)
- 04.** To which consumer responsibility is 'Disclosing fair price' related?
- (1) Active participation
 - (2) Environmental concern
 - (3) Co-operation with others
 - (4) Critical awareness
 - (5) Social concern (.....)
- 05.** Statement A – All private sector businesses are not profit oriented business organizations.
 Statement B – Co-operative society and clubs and associations are private sector businesses and they are not profit oriented businesses.
- Out of the above statements,

- (1) Statement A is correct and Statement B is incorrect.
 (2) Statement A is incorrect and Statement B is correct.
 (3) Statements A and B are incorrect.
 (4) Both statements are correct and Statement B is described through statement A.
 (5) Both statements are correct and Statement B is not described through statement A. (.....)

06. A limited public limited company differs from a private limited company in the case of,

- (1) legal personality (2) limited liability (3) maximum number of directors
 (4) issue of shares to public (5) minimum number of shareholders (.....)

07. The following table provides new trends of entrepreneurship and their objectives.

New trends of entrepreneurship	Objectives
1. Social entrepreneurship	A – Protection of natural environment
2. Internal entrepreneurship	B – Providing ability to operate beyond the political boundary
3. Global entrepreneurship	C – Changing the world into a best place
4. Green entrepreneurship	D – Changing the organization

Select the answer which contains the correct order of objectives in accordance with the order of new trends of entrepreneurship.

- (1) C, D, B, A (2) D, C, A, B (3) A, D, B, C
 (4) C, A, B, D (5) A, B, D, C (.....)

08. Select the answer which does not match the institutions which classify the small businesses and relevant criteria.

Institutions	Criteria
1. Statistic and Census Department	Number of employees less than 25
2. Central Bank of Sri Lanka	Power consumption less than 50 KW
3. Industrial Development Ministry	Capital invested not more than Rs. 20 million
4. Small Industrial Department	Number of employees less than 50
5. Industrial Development Board	Capital invested not more than 4 million

(.....)

09. The financial institution which is formed after getting license from Security Exchange Commission of Sri Lanka is,

- (1) Licensed Sun Credit Company (2) Insurance company (3) Share broker company
 (4) Employee Provident Fund (5) Thrift Credit Co-operative Society (.....)

10. If a cheque contains 'not negotiable' between its cross lines,

- (1) particular cheque cannot be endorsed to anyone else.
 (2) payee can deposit in his account only.
 (3) It can be encashed directly at bank counter.
 (4) The transferee (endorsee) will not get full right on the cheque, when it is endorsed.
 (5) The payee can cross the cheque. (.....)

11. Which of the following statement is not related to life insurance?

- (1) Life insurance certificate can be endorsed. (2) Certain risk
 (3) Can be considered as savings. (4) Indemnity principle not applicable
 (5) Contribution and subrogation principles are not applicable.

12. E-mail is,

- (1) a verbal, internal and electronic communication.
 (2) a written, external and electronic communication.
 (3) a sign and signal, external and electronic communication.
 (4) a written, external and electronic communication.
 (5) a verbal, external and electronic communication.

13. Compared to high way transport, in railway transport,

	Capacity	Cost	Security
(1)	High	High	Less
(2)	Less	High	High
(3)	Less	High	Less
(4)	High	Less	High
(5)	Less	Less	High

14. The documents used by importer to prepare import entry are,

- (1) invoice, insurance certificate (2) insurance certificate, letter of credit
 (3) letter of credit, bill of lading (4) invoice, bill of lading
 (5) indent, insurance certificate

15. Which of the following is trade zone?

- (1) World Trade Organization (WTO) (2) Asian Development Bank (ADB)
 (3) G-7 (4) International Monetary Fund (IMF)
 (5) Asia Pacific Trade Agreement (APTA)

● **Fill the blanks in the questions 16 – 20 with the relevant words.**

16. (a) Secondary production includes industry and industry.

(b) means to act favourably to all the interested parties acknowledging the good and bad. Further, when it is presented in writing, it is called as

17. (a) and of treasury bills and bonds by Central Bank of Sri Lanka is called as open market operations.

(b) Decisions are taken by in sole proprietorship business but in partnership business, it is made by of partners.

18. (a) The first step of entrepreneurial process is and the last step is

(b) A foot manufacturing business plans to expand the its business. Two alternatives for it are given below.

A – Joining with another foot manufacturing business

B – Joining with leather manufacturing business

In the above, A stands for combination and statement B stands for combination.

19. (a) In relation to the parties related to cheque, the person who is named in the cheque is called as and the commercial bank which is liable to pay for cheque is called as

(b) The loan obtained through maintaining current account is but current account is not required to obtain loan.

20. (a) In relation to the parties related to insurance, the parties who accept the insurance proposal are called as and the parties who submit the insurance proposal are called as

(b) Inbound logistic shows the movement from to

● Write the short answers for the questions 21 – 25 in the dotted lines given.

21. Write four weaknesses in the case of employees of a business.

- (1)
- (2)
- (3)
- (4)

22. State four trade malpractices which can affect consumers.

- (1)
- (2)
- (3)
- (4)

23. Provide the four parties related to e-money transactions.

- (1)
- (2)
- (3)
- (4)

24. Write any four details included in a bill of lading.

- (1)
- (2)
- (3)
- (4)

25. Write the names of the following express ways which were in use and under construction.

- (1) E-01 -
- (1) E-02 -
- (1) E-03 -
- (1) E-04 -
- (1) E-05 -



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Business Studies II**Instructions:**

- Answer **five** questions selecting at least **two** questions from each part.

Part I

01. Abinaya conducts an ayurvedic medicines producing business. She has completed her field related course and she has a specialized experience. She conducts a sales stall to sell her medicinal products and she fulfills online orders too.

- (i) (a) Categorize the business of Abinaya in accordance with the following criteria.
1. Ownership
 2. Objective
- (b) Name the human need fulfilled by this business. (01 mark)
- (ii) Abinaya's business is a goods manufacturing business and a service producing business (a mixed-producing business). Do you accept this statement? Describe your answer. (02 marks)
- (iii) In the above case, what do you mean by "she has a specialized experience."? Describe two advantages of it. (02 marks)
- (iv) Depict the process of producing Ayurveda medicines in a diagram as input and output process. (02 marks)
- (v) (a) Explain a strength that Abinaya has.
- (b) Describe two reasons for the popularity of online sales activities at present. (02 marks)
- (Total 10 marks)**

- 02.** (i) State the relevant macro environment to which the following statements are related.
- (a) Educational level of Sri Lanka is in higher rate continuously.
 - (b) Britain left European Union.
 - (c) The price levels of goods and services increase continuously.
 - (d) Discipline is maintained properly in some schools even at present. (02 marks)
- (ii) (a) What do you mean by 'social responsibility'?
- (b) State two social responsibilities to be fulfilled by a business in favour of owner. (02 marks)
- (iii) Contributions of businesses only are not enough for sustainable development. Do you accept this statement? Describe the reasons your answer. (02 marks)
- (iv) State four factors to be considered in developing code of business ethics. (02 marks)
- (v) The base facilities required for business activities are infrastructure facilities. Write the various levels of government and the infrastructure facilities provided by each level of government. (02 marks)
- (Total 10 marks)**

- 03.** Use the following fact to answer the questions (i) and (ii).
- 'Aruvi' is a famous garments business where 4 000 male and female employees are working between age limit 18 and 30. The products of this business are exported to America and European counties. It pays tax based its profit.
- (i) Mention the economic objectives that can be achieved by the above business. (02 marks)
 - (ii) Explain two contributions of the above business to achieve economic objectives. (02 marks)

- (iii) (a) Mention two methods used by Sri Lanka Standard Institution to implement standards.
 (b) Name two public sector business organizations. (02 marks)
- (iv) Write two advantages and two disadvantages of converting a sole proprietorship business into a partnership business. (02 marks)
- (v) Provide the solutions for the following issues that can arise in a partnership business with reference to Section 24 of Partnership Ordinance 1890.
 (a) in relation to admitting a new partner
 (b) in relation to interest on capital
 (c) in relation to participation in management by partners
 (d) in relation to any issue arising in partnership business (02 marks)

(Total 10 marks)**Part II**

- 04.** (i) Cargills business obtained the license from KFC to start its business activities in Sri Lanka in 1995. Name the relevant franchise business for it and define that kind of franchise business. (02 marks)
- (ii) (a) Explain about the voting rights in a co-operative society and in an incorporated company.
 (b) What do you mean by 'acquisition'? (02 marks)
- (iii) (a) State two advantages a person can obtain by involving in social entrepreneurship.
 (b) Write the entrepreneurial traits. (02 marks)
- (iv) List the quantitative criteria used to identify small and medium scale businesses. (02 marks)
- (v) The problems raised by two businessmen are as follows.
 Pavi – "I cannot capture the market, if I continue to use the existing machinery items. But if I use new machinery items, I can enter into foreign market."
 Piew – "My problem is that there is no any possibility to sell goods in the market. If I am able to sell goods, I can improve in my business."

State the incentives to be provided to those two businessmen and write the relevant institutions which provide those incentives. (02 marks)

(Total 10 marks)

- 05.** (i) (a) State two characteristics of near money.
 (b) Write two examples for near money. (02 marks)
- (ii) (a) Mention two institutions which direct and control the financial institutions in Sri Lanka.
 (b) Provide two functions of share brokering companies. (02 marks)
- (iii) Write two financial infrastructure facilities provided by Lanka Clear (Pvt) Ltd. (02 marks)
- (iv) Differentiate bank loan and bank overdraft. (02 marks)
- (v) (a) State two occasions where a cheque is endorsed.
 (b) Name two popular international credit card associations. (02 marks)

(Total 10 marks)

- 06.** (i) Fire insurance can be expanded by paying some extra insurance premium. State any such four risks which can be included under fire insurance. (02 marks)
- (ii) (a) Show the basic process of communication in a diagram.
 (b) Explain the usage of intercom. (02 marks)
- (iii) (a) State two tools used to handle goods in warehouse.
 (b) Explain how storage is important for a businessman. (02 marks)
- (iv) Write an example for the following which can be the ways of using modern technologies in retail trade.
 (a) Weighing (b) Monitoring
 (c) Pricing (d) Security (02 marks)
- (v) Differentiate whole trade and retail trade. (02 marks)

(Total 10 marks)



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