



5. Which consumer right is violated when the expiry date of a particular good is **not** mentioned?  
 (1) Right to satisfy basic needs (2) Right to choose  
 (3) Right to consumer education (4) Right to be informed  
 (5) Right to be safe (.....)

6. Following table shows the types of companies and some of their characteristics.

Types of companies	Characteristics
(i) Private limited companies	A. Ability to issue shares and debentures in public
(ii) Public limited companies	B. Having incorporated in Sri Lanka, doing business activities overseas only
(iii) Companies limited by guarantee	C. Unlimited liability of shareholders
(iv) Unlimited companies	D. Non-distribution of profits
(v) Offshore companies	E. Inability to issue shares and debentures in public

What is the option that correctly matches the characteristics according to the order of the company types given above?

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

7. Following are certain characteristics of businesses.

- A - Less legal requirements B - Continuous existence  
 C - Unlimited liability D - Mutual agreement  
 E - Paying of taxes by the business name

Out of the above, what is the option that contains only the characteristics of partnerships?

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

8. Realising that there is no firm in her area to organize sports events, Kanthi, after following a course on sports, started a firm to organize sports events by investing Rs.25 000 which she borrowed from a friend. As per the above information, the number of entrepreneurial competencies possessed by Kanthi is

- (1) 1 (2) 2 (3) 3 (4) 4 (5) 5 (.....)

9. An advantage, the investor can enjoy by investing in Unit trusts is

- (1) receiving high returns on investment.  
 (2) the ability to participate in the management of the Unit trust.  
 (3) being entitled to receive bonus shares.  
 (4) the ability to withdraw the investment at any time without penalty.  
 (5) not being necessary to pay income tax on the return on investment. (.....)

10. What is the right statement pertaining to crossing the cheques?

- (1) Payee can cross the cheque which is not crossed.  
 (2) Payee can cancel the crossing by signing on the cheque.  
 (3) All kinds of crossed cheques can be transferred to another party by endorsing.  
 (4) Cash can be obtained from a bank counter for all crossed cheques.  
 (5) Cash cheques cannot be crossed. (.....)

11. Maduri insured her life in two insurance companies, A and B for Rs.300 000 and Rs.400 000 respectively and she has been paying insurance premium regularly. If Maduri dies within the period of policy, the amount that can be claimed is

- (1) Rs.300 000. (2) Rs.350 000. (3) Rs.400 000. (4) Rs.700 000. (5) Not entitled to claim. (.....)

12. What is the option which correctly contains the elements of transport?

- (1) Mode, power, way, terminal (2) Mode, power, cost, speed  
 (3) Mode, terminal, cost, speed (4) Mode, power, way, speed  
 (5) Capacity, way, terminal, power (.....)

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13. Through an email, a Human Resource Manager informed his executive officer to prepare a newspaper advertisement about a job vacancy.  
Which answer correctly indicates the way of communication of the above?  
(1) Horizontal - formal. (2) Top to bottom - formal.  
(3) Bottom to top - formal. (4) Top to bottom - informal.  
(5) Vertical - informal. (.....)
14. Which statement most correctly defines the term 'Super Market'?  
(1) A shop that retails essential and convenience goods on self-service basis  
(2) A shop that maintains branches islandwide to distribute the products of a single manufacturer  
(3) A shop that agrees to sell the products only of a single manufacturer  
(4) A shop that maintains separate sections for each type of product in the same building  
(5) A shop that keeps stocks in large quantities and selling in wholesale (.....)
15. A garment manufacturing firm has established departments as designing, cutting, sewing, inspection and packing. What is the basis of this departmentalization?  
(1) Process (2) Functional (3) Product (4) Mixed (5) Customer (.....)
16. Select the **incorrect** statement related to e-business.  
(1) Being speed-up transactions  
(2) Being able to choose  
(3) Being able to compare prices  
(4) Reduced order time  
(5) Being able to return the goods easily (.....)
17. A qualitative credit control instrument used by the Central Bank of Sri Lanka is  
(1) deciding a maximum maturity period for loans.  
(2) increasing the interest rate of the loans provided for commercial banks.  
(3) deciding the minimum cash amount to be deposited in issuing letters of credit.  
(4) restricting the fields of loans granted by commercial banks.  
(5) deciding credit ceiling for loans. (.....)
18. A manufacturer produced a new product based on an idea posted by a consumer as a proposal on the manufacturer's web page. What is the most correct e-commerce model which reflects the idea?  
(1) B2B (2) B2C (3) C2C (4) G2C (5) C2B (.....)
19. Fixed cost of XYZ company is Rs.60 000. The variable cost for producing one Unit of Product A is Rs.1.00. If the unit selling price of this product is Rs.3.00, how many units should be produced to earn a profit of Rs.50 000?  
(1) 20 000 (2) 30 000 (3) 40 000  
(4) 50 000 (5) 55 000 (.....)
20. A benefit of using debit cards, when compared with credit cards is  
(1) there is no necessity to carry money physically.  
(2) ability to pay in delay.  
(3) the cardholder not becoming a borrower.  
(4) the need to submit the card, when making payments.  
(5) able to purchase goods even without a balance in the account. (.....)

[See page four

21. Following table indicates the quality control techniques and procedures followed by Seetha in maintaining the quality of yoghurt production.

Quality control techniques	Procedures
(i) Quality assurance	A. Forming teams of employees to discuss production related issues regularly
(ii) Quality circles	B. Frequent monitoring of quality at all phases of production process
(iii) Zero defects	C. Always use right raw material in production.
(iv) Quality standards	D. Ensuring quality of all processes of organization.
(v) Total quality management	E. Making a continuous effort to keep a 100% product quality.

What is the option that matches the procedures according to the order of quality control techniques given above?

- (1) A,B,E,D,C (2) A,C,B,D,E (3) B,A,E,C,D (4) B,C,D,E,A (5) E,B,C,D,A (.....)
22. Which concept reflects most appropriately, the effort of a businessman who attempts to produce goods at the lowest possible cost and make them widely available in the market?
- (1) Marketing concept (2) Societal marketing concept (3) Selling concept  
(4) Product concept (5) Production concept (.....)
23. Following are the components of consumer value hierarchy of a product.
- A - Core benefits  
B - Augmented products  
C - Basic products  
D - Expected products  
E - Potential products
- Select the option that indicates the customer value hierarchy in the correct order.
- (1) A,B,D,C,E (2) A,C,D,B,E (3) B,A,E,C,D (4) B,E,A,C,D (5) C,A,B,D,E (.....)
24. Select the factor that influences purchasing a speciality good by a consumer.
- (1) Marketer. (2) Sales promotion.  
(3) Brand loyalty. (4) Wider availability of goods.  
(5) Price. (.....)
25. What is the first step of human resource planning process?
- (1) Studying the job description and job specification.  
(2) Forecasting human resource demand.  
(3) Forecasting human resource supply.  
(4) Estimating the number of vacancies to be filled via promotions.  
(5) Estimating number of employees who will be retiring. (.....)
26. Following are certain decisions taken by a manager.
- A - Decisions about trade creditors.  
B - Decisions about cash management.  
C - Decisions about payable expenses.  
D - Decisions about trade debtors.  
E - Decisions about trade stock.  
F - Decisions about bank overdraft.

From the above, what is the option that contains only the short-term investment decisions?

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

27. Following table shows the types of information systems and examples for each.

Types of Information Systems	Examples
(i) Transaction Processing Systems (TPS)	A - Providing forecasting reports
(ii) Office Automaton Systems (OAS)	B - Providing daily stock reports
(iii) Management Information Systems (MIS)	C - Providing E-mail facilities
(iv) Decision Support Systems (DSS)	D - Preparing salary reports
(v) Executive Support Systems (ESS)	E - Providing investment appraisal reports

What is the option that correctly matches the examples, according to the order of the types of information systems given above?

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

28. Following table shows some of the computer network typologies and descriptions about the them.

Computer Network Typology	Descriptions
(i) Tree Network	A - All the computers are directly connected in a common cable.
(ii) Hybrid Network	B - Each computer is connected to two other computers.
(iii) Bus Network	C - Computers are connected to a central device.
(iv) Star Network	D - Computers are connected to central device as branches of a tree.
(v) Ring Network	E - Combine two or more different basic network typologies.

What is the option that correctly matches the description with type of Computer Network typology in the order given above?

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

29. Which is **not** an Internet service supply?

- (1) satellite technology (2) web services (3) e-mail  
(4) communication services (5) video conferences (.....)

30. The summary prepared for guiding the business plan is

- (1) executive summary. (2) cost summary. (3) cash flow summary.  
(4) income summary. (5) debt summary. (.....)

● Answer questions 31 to 40, by filling in the blanks with **suitable word/words**.

31. (a) Two types of business organizations that aim profits but **non-compulsory** for registration are ..... and .....

(b) Entrepreneur, in general, commences business with the objective of ..... whereas social entrepreneur commences business with the objective of .....

32. (a) In management, doing the right thing is known as ..... and doing the thing right is known as .....

(b) According to Minzberg's role classification, the introduction of new projects by a manager falling into ..... sub-role of ..... role of manager.

33. (a) The prime objective of stock control is to maintain ..... stock level and to minimize the cost of .....

(b) Relationship between employee inputs and ..... is known as ..... productivity.

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34. (a) The activities of cash flow statement can be mainly categorized as ..... and .....
- (b) Long-term financial decisions can be categorized as ..... structure and ..... related decisions.
35. (a) Payment of interest by government for loans is a ..... expenditure and construction of a hospital is a ..... expenditure.
- (b) A fixed levy charged on a unit of imported good is ..... tariff and levy charged on the value of good is ..... tariff.
36. (a) While technical skills are highly essential for the ..... managers, ..... skills are equally important to managers of all levels.
- (b) The process that formally assigning the ..... and ..... among employees is meant by delegation of power.
37. (a) An amount to be made by a franchisee to the franchisor as a percentage of gross ..... is ..... payment.
- (b) Export of imported goods after value addition in the customs-bonded warehouses is ..... trade and export of equipment to imported country after use is ..... export.
38. (a) The cost that varies accordingly to the number of units produced is ..... cost and the cost that remains unchanged within a certain number of units produced is ..... cost.
- (b) Business plan describes ..... of the business as well as ..... to be used to achieve them.
39. (a) Presenting a series of products under the same brand by a manufacturer is known as ..... brand and designing a brand for a particular businessman is known as ..... brand.
- (b) Pricing on target return is based on ..... and pricing on going rate is based on .....
40. (a) To make the payments in foreign trade, the bank ..... and letter of ..... can be used.
- (b) Although prime purpose of a package is ..... of goods, presently it is used as a ..... instrument too.

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● For questions 41 to 50, write the **specific answers** in the space provided.

41. Write **two** advantages and **two** disadvantages of a sole proprietorship.

Advantages	Disadvantages
1.	1.
2.	2.

42. What is meant by the letters in the following formula that is related to stock controlling?

$$EOQ = \sqrt{\frac{2cd}{h}}$$

1. *EOQ* :.....
2. *c* :.....
3. *d* :.....
4. *h* :.....

43. State **four** types of background tests that can be used by an organization in selecting a new employee.

1. .... 2. ....
3. .... 4. ....

44. Write in the blank space, appropriate human resource management function for each activity given below.

1. Collecting required information to prepare job description and specification :.....
2. Showing a video about the organization to new employees :.....
3. Forecasting human resource demand and supply :.....
4. Conducting programmes for developing employee competencies :.....

45. State **four** main components to be included in a financial plan.

1. .... 2. ....
3. .... 4. ....

46. Name **four** institutions which are required to obtain license from the Securities and Exchange Commission of Sri Lanka for conducting business activities.

1. .... 2. ....
3. .... 4. ....

47. State **four** benefits a businessman can gain through Internet.

1. .... 2. ....
3. .... 4. ....

[See page eight


48. Write four examples for hardware in an electronic information system.

- 1. .... 2. ....
- 3. .... 4. ....

49. Name four profitability ratios.


- 1. .... 2. ....
- 3. .... 4. ....

50. Indicate the meaning of each symbol given below.

1.  .....

2.  .....

3.  .....

4.  .....

\* \* \*



AL/2019/32/E-II (OLD)

සියලු ම හිමිකම් ඇවිරිණි / முழுப் பதிப்புரிமையுடையது / All Rights Reserved

පැරණි නිර්දේශප්‍රමාණය පාලන කමිටුව / Old Syllabus

ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව  
 இலங்கைப் பரீட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம்  
 Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka  
 இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரīட்சைத் திணைக்களம் இலங்கைப் பரīட்சைத் திணைக்களம்

**OLD**

අධ්‍යයන පොදු සහතික පත්‍ර (උසස් පෙළ) විභාගය, 2019 අගෝස්තු  
 கல்விப் பொதுத் தராதரப் பத்திர (உயர் தர)ப் பரீட்சை, 2019 ஆகஸ்ட்  
 General Certificate of Education (Adv. Level) Examination, August 2019

ව්‍යාපාර අධ්‍යයනය II  
 வணிகக் கல்வி II  
 Business Studies II

32 E II

13.08.2019 / 1300 - 1610

පැය තුනයි  
 மூன்று மணித்தியாலம்  
 Three hours

අමතර කියවීමේ කාලය - මිනිත්තු 10 යි  
 மேலதிக வாசிப்பு நேரம் - 10 நிமிடங்கள்  
 Additional Reading Time - 10 minutes

Use **additional reading time** to go through the question paper, select the questions and decide on the questions that you give priority in answering.

**Instructions:**

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

**Part I**

1. (i) (a) Name **four** factors that could affect the creation of demand for a product.  
 (b) Explain **two** reasons for a manager to be concerned about competitive business firms. (04 marks)
  - (ii) Describe **two** advantages and **two** disadvantages the local community could gain from a newly built large shopping complex. (04 marks)
  - (iii) Explain the organization structure which is designed based on functions and state **two** advantages and **two** disadvantages of it. (04 marks)
  - (iv) (a) Give **four** advantages of SWOT analysis for a businessman.  
 (b) Name **four** businesses that require obtaining a license from the government to conduct its businesses by using natural resources in Sri Lanka. (04 marks)
  - (v) (a) Mention **four** advantages that a business could receive through fulfilling social responsibilities.  
 (b) Briefly describe **two** social responsibilities of a business organization towards its customers. (04 marks)
- (Total 20 marks)
2. (i) (a) State **four** actions that Sri Lankan government has taken to promote private sector businesses.  
 (b) State **two** differences between direct tax and indirect tax and give an example for each type of tax. (04 marks)
  - (ii) (a) State **four** services that Small and Medium Scale Firms could obtain from Sri Lanka Standards Institution.  
 (b) Describe **two** types of policy interest rates used by the Central Bank of Sri Lanka to implement the financial policies. (04 marks)
  - (iii) Mention **four** internationally accepted consumer responsibilities and explain them. (04 marks)
  - (iv) Describe **four** characteristics that can be used to differentiate a formal business organization from an informal business organization. (04 marks)
  - (v) (a) Explain with examples, **two** reasons that influence the government of Sri Lanka to engage in business activities.  
 (b) Write **two** advantages and **two** disadvantages the public could receive through privatising government organizations. (04 marks)
- (Total 20 marks)

[See page two

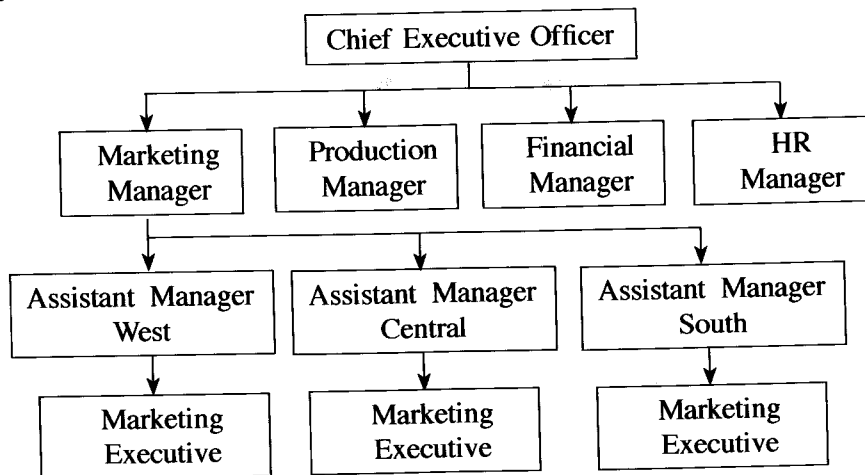
3. (i) "Women Entrepreneurs are limited in Sri Lanka." Describe **four** actions that can be taken to increase the women entrepreneurial participation. (04 marks)
- (ii) By investing Rs.50 000, Srimalee established a firm to produce ladies handbags, caps and other ornamental products using banana fiber which is widely available in her area. She recruited three unemployed females from her area on the basis of paying Rs. 800 per day after providing training on the given products. Arrangement has also been made to market her products at tourist hotels. Give the social and economic benefits of this case. (04 marks)
- (iii) (a) State **two** advantages that a businessman could obtain through 'Quick Response Code.'  
(b) State **two** basic requirements that a person has to fulfill when making payments for transactions using e-wallets through a mobile phone. (04 marks)
- (iv) (a) Describe with examples, how loans provided by commercial banks to customers are categorised into **two** based on time.  
(b) Briefly explain the objectives of Self-Employment Promotion Initiative (SEPI) Loan Scheme of Sri Lanka. (04 marks)
- (v) (a) State **four** functions of Insurance Regulatory Commission of Sri Lanka.  
(b) State **two** advantages each for the insurer and insuree from re-insurance. (04 marks)  
(Total 20 marks)
4. (i) State **four** weaknesses of train transport service in Sri Lanka and suggest solutions to rectify each weakness. (04 marks)
- (ii) (a) Mention **two** ways of the importance of communication for business activities.  
(b) State **two** reasons for distortion of a message in verbal communication. (04 marks)
- (iii) (a) State **four** advantages of e-communication for a businessman.  
(b) Give the **two** main classifications of domestic trade and briefly describe the differences among them. (04 marks)
- (iv) "Self-service business is becoming popular in Sri Lanka now." Give **two** advantages and **two** disadvantages of this business for businessmen and customers. (04 marks)
- (v) (a) Describe **two** non-tariff barriers used in foreign trade.  
(b) Explain the purpose of issuing a letter of indemnity. (04 marks)  
(Total 20 marks)

### Part II

5. (i) (a) Describe, 'ABC Analysis' used in stock control.  
(b) Describe briefly, **two** factors that the producer and the consumer consider in determining the quality of a good. (04 marks)
- (ii) Amila who manufactures and distributes confectionery items, expects to create a suitable brand for her products. Mention **four** characteristics that she needs to consider for this. (04 marks)
- (iii) (a) State **four** instances where personal selling is more appropriate as a promotional method.  
(b) Mention **four** factors that need to be considered in selecting a distribution channel for frozen foods. (04 marks)
- (iv) Describe **two** advantages and **two** limitations of online purchasing to the consumer. (04 marks)
- (v) (a) Describe **two** advantages of preparing a cash budget.  
(b) "There could be disadvantages of investing funds collected through short-term financial sources in long-term investments to the business." Explain **two** reasons for such disadvantages. (04 marks)  
(Total 20 marks)

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6. (i) In solving a problem, best alternative should be implemented after the evaluation of various alternatives. Explain **four** tasks that belong to the stage of implementation. (04 marks)
- (ii) Following is a part of an organization chart.



- (a) Explain the term, 'span of control' and state the extent of span of control of marketing manager according to the above organizational chart.
- (b) Identifying the base of departmentalization of the above organization, state **two** advantages of it. (04 marks)
- (iii) (a) Name **four** methods of non-financial motivation.
- (b) State **two** favourable characteristics and **two** unfavourable characteristics of democratic leadership style. (04 marks)
- (iv) (a) Explain what is meant by 'concurrent' control and 'feedback' control.
- (b) Mention **four** reasons for research and development to be important for a business organization. (04 marks)
- (v) "Flow production method is widely used in motor vehicle manufacturing". Explain **four** advantages of using this method for motor vehicle manufacturing. (04 marks)
- (Total 20 marks)

7. (i) (a) What is meant by 'Initial Public Offering' (IPO)?
- (b) Describe **two** advantages an investor can gain by investing in government securities. (04 marks)
- (ii) Name **four** types of securities which are trading in Colombo Stock Exchange and briefly explain them. (04 marks)
- (iii) (a) Briefly explain the term, 'All share price index'.
- (b) Describe, what is meant by 'Job design'. (04 marks)
- (iv) It was decided by a firm to publish a newspaper advertisement to recruit a marketing assistant. Describe briefly **two** advantages and **two** disadvantages of recruiting applicants through a newspaper advertisement. (04 marks)
- (v) (a) "Interview is a popular method for selecting employees." Describe **two** limitations of this method. (04 marks)
- (b) Compare 'employee turnover' with 'employee absenteeism.' (04 marks)
- (Total 20 marks)

[See page four

8. (i) Describe the evolution of communication technology according to the eras of economic and social development. (04 marks)
- (ii) (a) Compare data and information. (04 marks)  
(b) Explain 'knowledge worker' and provide **two** examples for them. (04 marks)
- (iii) (a) Briefly explain the importance of information management for an organization. (04 marks)  
(b) Briefly describe **two** reasons for the importance of a business plan for a businessman. (04 marks)
- (iv) (a) Describe the basic elements that should be included in a marketing plan. (04 marks)  
(b) Write **four** factors that should be considered in a competitive analysis. (04 marks)
- (v) Explain 'pre-operating expenses' included in the estimated project cost and provide **two** examples for them. (04 marks)
- (Total 20 marks)

\* \* \*



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