

සියලු ම හිමිකම් ඇවිරිණි / முழுப் பதிப்புரிமையுடையது / All Rights Reserved]

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  
ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව  
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අධ්‍යයන පොදු සහතික පත්‍ර (උසස් පෙළ) විභාගය, 2024  
கல்விப் பொதுத் தராதரப் பத்திர (உயர் தர)ப் பரீட்சை, 2024  
General Certificate of Education (Adv. Level) Examination, 2024

ව්‍යාපාර අධ්‍යයනය I  
வணிகக் கல்வி I  
Business Studies I

32 E I

පැය දෙකයි  
இரண்டு மணித்தியாலம்  
Two hours

### Instructions:

- \* Answer **all** questions on this question paper itself.
- \* Write your **Index Number** clearly in the space provided above.
- \* Select the correct answers for questions from **1-30** and write its number on the dotted line given.
- \* Write short answers for questions from **31-50** on the dotted lines given.
- \* Each question carries **two** marks.

Index No. : .....

### For Examiner's Use Only

For paper I		Signature	Code No.
Q. Nos.	Marks	1st Examiner	
01 - 30		2nd Examiner	
31 - 50		Addl. Chief	
		E.M.F.	
TOTAL		Chief	

1. Some goods and services are given below.

- |                  |                    |
|------------------|--------------------|
| A – Newspapers   | B – Healthcare     |
| C – Clothing     | D – Legal Advocacy |
| E – Education    | F – Vegetables     |
| G – Social media | H – Televisions    |

From the above, what is the option that contains only services?

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

2. Some inputs used for production are given below.

- |                   |                      |
|-------------------|----------------------|
| A – Land          | B – Competency       |
| C – Staff         | D – Information      |
| E – Knowledge     | F – Entrepreneurship |
| G – Raw materials | H – Inventory        |

From the above, what is the option that contains only intangible inputs?

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

3. A company's ability to form a joint venture with a foreign party represents a/an

- |                  |                            |               |
|------------------|----------------------------|---------------|
| (1) threat.      | (2) strength.              | (3) weakness. |
| (4) opportunity. | (5) strength and a threat. | (.....)       |

4. What is the minimum number of shareholders required to form a Private Limited Company in Sri Lanka, according to the Companies Act No. 07 of 2007?

- |       |        |         |
|-------|--------|---------|
| (1) 1 | (2) 2  | (3) 3   |
| (4) 7 | (5) 10 | (.....) |

5. A business strategy that a company uses to take control of the entire supply chain is

- |                           |                             |                           |
|---------------------------|-----------------------------|---------------------------|
| (1) forward integration.  | (2) horizontal integration. | (3) vertical integration. |
| (4) backward integration. | (5) conglomerates.          | (.....)                   |

6. The following table shows some stakeholders and their interests in a business.

Stakeholders	Interests
(i) Creditors	A - Employment generation
(ii) Shareholders	B - Job Security
(iii) Government	C - Financial stability
(iv) Consumers	D - Returns
(v) Employees	E - Value

What is the option that correctly matches the interests according to the order of business stakeholders given above?

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

7. The following table shows some government income sources and collecting authorities.

<b>Income sources</b>	<b>Authority</b>
(i) Rates	A - Department of Motor Traffic
(ii) Tariffs	B - Department of Inland Revenue
(iii) Advance Personal Income Tax (APIT)	C - Department of Immigration and Emigration
(iv) Emission Test Charges	D - Local Authorities
(v) Visa fee	E - Sri Lanka Customs

What is the option that correctly matches the collecting authority according to the order of income source?

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

8. From the following, select the key entrepreneurial characteristic that an entrepreneur should possess to convert environmental opportunities into reality.

- (1) Leadership (2) Innovation (3) Persistence  
(4) Passion (5) Self-motivation (.....)

9. From the following, the funds collected by a unit trust is deployed in

- (1) fixed assets of companies.
- (2) credit facilities for companies.
- (3) current and savings accounts.
- (4) investment portfolio.
- (5) financial institutions for a fixed interest rate. (.....)

- 10.** Following are some characteristics of enterprises.

- |                                   |                               |
|-----------------------------------|-------------------------------|
| A – Niche market focus            | B – Global operations         |
| C – Market dominance              | D – Self-employment           |
| E – Decentralised decision making | F – Informal structure        |
| G – Autonomy                      | H – Limited access to capital |

From the above, what is the option that correctly contains characteristics of only Micro, Small and Medium (MSM) enterprises?

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

- 11. Real Time Gross Settlement System (RTGSS) of the Central Bank of Sri Lanka is**

- (1) an off-line fund transfer system.
- (2) an electronic fund settlement system.
- (3) a cheque imaging and truncation system.
- (4) a scripless securities settlement system.
- (5) a scripless securities depository system. (.....)

12. Indemnity principle of insurance will **not** be applicable for  
 (1) building insurance. (2) marine insurance. (3) fire insurance.  
 (4) motor insurance. (5) life insurance. (.....)
13. Which of the following is **not** an attribute of printed media?  
 (1) Broader coverage (2) Delayed feedback  
 (3) Better visualization (4) Personal interaction  
 (5) Geographical scattering (.....)
14. Which aspect of logistics involves the process of moving goods from customer back to the seller for recycling purpose?  
 (1) Inbound (2) Outbound (3) Distribution  
 (4) Reverse (5) Third party (.....)
15. When the Sri Lankan rupee depreciates against the US Dollar, select the option that correctly indicates the general effect to the import and export quantities of Sri Lanka.

	Imports	Exports
(1)	Increase	Decrease
(2)	Increase	Increase
(3)	Decrease	Decrease
(4)	Decrease	Increase
(5)	Increase	No effect

16. The following table shows different types of agents and their roles. (.....)

Agents	Roles
(i) Del credere agent	A - Connects buyer and seller
(ii) Auctioneer	B - Buys or sells goods under one's own name
(iii) Broker	C - Guarantees to pay for goods sold on credit
(iv) Commission Agent	D - Arranges sales of goods to the highest bidder
(v) Factor	E - Buys or sells on personal desire

What is the option that correctly matches the roles according to the order of agents given above?

- (1) B, D, E, C, A (2) C, A, D, B, E (3) C, D, A, E, B  
 (4) D, C, A, E, B (5) D, C, E, A, B (.....)
17. What is the managerial sub role that focuses on constructing a positive image towards the organization?  
 (1) Monitor (2) Spokesperson (3) Figurehead  
 (4) Disturbance handler (5) Resource allocator (.....)
18. Consider the following statements A and B. (.....)

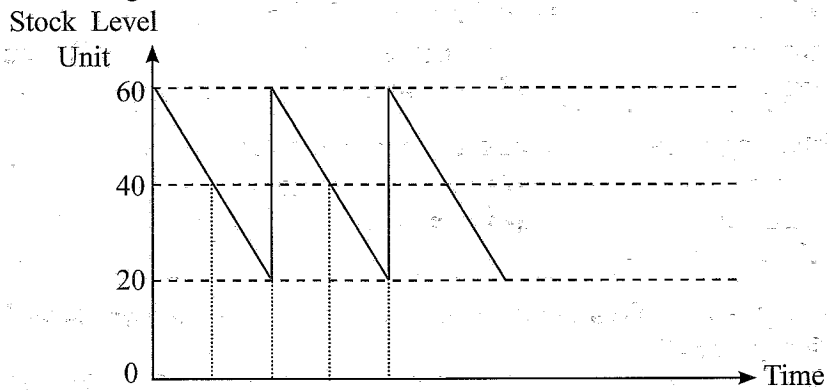
**Statement A :** One of the main objectives of a business is to utilize resources in an efficient manner.

**Statement B :** One of the main objectives of a business is to maximize customer satisfaction at any cost.

From the above two statements,

- (1) only A is correct.  
 (2) only B is correct.  
 (3) both A and B are incorrect.  
 (4) while both A and B are correct, A is elaborated through B.  
 (5) while both A and B are correct, A is not elaborated through B. (.....)

19. Consider the following chart.



According to the above chart, what is the inventory quantity in units that will assist to continue the production of an organization if the ordered quantity has not been received on time?

- (1) 20                      (2) 30                      (3) 40                      (4) 50                      (5) 60                      (.....)

20. Following are some of the parties who are involved in a physical distribution channel.

A – Wholesaler

B – Factory

C – Retailer

D – Agent

E – Customer

The correct sequence of a physical distribution channel would be

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

21. Some goods are given below.

A – Furniture

B – Smart phone

C – Magazine

D – Jewellery

E – Refrigerator

F – Soft drinks

G – Bread

H – Television

From the above, select the option that correctly includes only shopping goods.

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

22. What is an example for an internal and direct source of funds of a business?

- (1) Retained profits                      (2) Ordinary shares                      (3) Factoring  
(4) Venture capital                      (5) Trade credits                      (.....)

23. From the following, the type of the domestic debt that was recently restructured by the Government of Sri Lanka is

- (1) commercial papers.                      (2) debentures.                      (3) treasury bills.  
(4) treasury bonds.                      (5) bank loans.                      (.....)

24. The process of locating, identifying and attracting suitable applicants for a job is called as

- (1) selection.                      (2) planning.  
(3) recruitment.                      (4) confirmation.  
(5) retaining.                      (.....)

25. The following table shows some financial information of a business.

Description	Jan	Feb	March	April
Opening Balance (Rs.)	10 000			?
Cash inflows (Rs.)	30 000	40 000	40 000	50 000
Cash outflows (Rs.)	20 000	65 000	40 000	45 000

According to above information, how much is the opening cash balance for the month of April?

- (1) Rs. 15 000                      (2) Rs. 10 000                      (3) Rs. 5 000  
(4) Rs. (10 000)                      (5) Rs. (5 000)                      (.....)

[See page five

26. The following table shows types of employees and descriptions of them.

Employee types	Descriptions
(i) Casual	A - Work for an unlimited period
(ii) Contract	B - Undergo a trial period
(iii) Permanent	C - Work for a limited period
(iv) Probationary	D - Work on a needed basis
(v) Temporary	E - Work for a specific period

What is the option that correctly matches the descriptions in the order of employees types?

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

27. Select the correct indicator that reflects employees' job satisfaction. (.....)

- (1) Promotions                      (2) Termination                      (3) Dismissal  
 (4) Transfer                      (5) Absenteeism (.....)

28. Following are some characteristics relating to currency.

- A - Tangibility                      B - Global acceptability  
 F - High risk                      D - Low divisibility  
 E - Intangibility                      C - Remote accessibility  
 G - Low risk                      H - High divisibility

Compared with physical currency, what is the option that matches only the characteristics of digital currency?

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

29. The following table depicts some terms in financial statements and their calculation methods. (.....)

Terms	Methods
(i) Net profit	A - Net profit – income tax
(ii) Sales revenue	B - Sales revenue – cost of sales
(iii) Profit for the period	C - Opening stock + purchases + inward carriage – (value of outward returns + closing stock)
(iv) Gross profit	D - Gross profit + operating income – operating expenses
(v) Cost of sales	E - Cash sales + credit sales – value of inward returns

What is the option that correctly matches the calculation methods according to the order of terms?

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

30. Which of the following is a source of primary data? (.....)

- (1) Self-administered surveys  
 (2) Government agency reports  
 (3) Central Bank Reports  
 (4) Department of Census and Statistics reports  
 (5) Newspapers and magazines (.....)

- Answer Question No. 31 to 40, by filling in the blanks with a **suitable word/words**.

31. (a) Reduction of energy waste emphasizes ..... sustainability whereas, equity emphasizes ..... sustainability.
- (b) Adhering to the stipulated minimum wage payment is an example for ..... responsibility whereas paying more than the stipulated minimum wage is an example for ..... responsibility of a business.
32. (a) Monetary policy manages the money supply and ..... while fiscal policy manages the government spending and ..... income.
- (b) A tax charged on total sales revenue of a business is ..... tax whereas, the amount deducted by a bank from an individual's interest income is ..... tax.
33. (a) A partnership agreement could be either in verbal, ..... or implied forms and according to the Partnership Act of 1890, in the absence of a partnership agreement, profits should be .....divided among the partners.
- (b) A company limited by ..... does not issue shares and its primary purpose will not be making .....
34. (a) A reduction in the list price of a product sold to customers is ..... discounts whereas the discounts given to debtors when making early payments is ..... discounts.
- (b) A firm that engages in buying and selling securities on behalf of investors is a ..... company and such companies should be registered at the Securities and ..... Commission of Sri Lanka.
35. (a) Production process of manufacturing a large quantity of shirts is an example for a ..... production and stitching a shirt for a customer order is an example for a ..... production.
- (b) Control charts techniques is used in ..... process control and regular group meetings to discuss the issues of quality of products is an example for quality .....
36. (a) Computer-aided design (CAD) is used during the product ..... stage whereas, computer-aided manufacturing (CAM) is used during the product ..... stage.
- (b) Equipment and work stations which are arranged in a sequential order is ..... layout whereas, equipment and machines are brought to the place of production is ..... layout.
37. (a) A company that uses a single brand for multiple products is an/a ..... brand and use of various brands for multiple products is known as an/a ..... brand.
- (b) Dividing a market into homogeneous groups is market ..... and a percentage of an industry's total sales that is captured by a company is market .....

[See page seven]

38. (a) The option which allows the lessee to purchase the assets at the end of the lease period is known as ..... lease whereas the option which requires the lessee to return the assets to the lessor at the end of lease period is known as ..... lease.
- (b) Interest ..... ratio is used to measure the ability of a company to pay interest on its outstanding debt whereas assets ..... ratio is used to measure how efficiently a company uses its assets to generate revenue.
39. (a) Skills required for employees on current job can be enhanced through ..... and new skills required for future career of them can be enhanced through .....
- (b) An association formed by employees to protect their rights is known as a trade ..... and the process of negotiating between employer and employee is known as a collective .....
40. (a) The cost which remains unchanged with the output is called as ..... cost and the cost that changes with the output is called as ..... cost.
- (b) The processing of collected data all at once is called as ..... processing and the processing of data while receiving is called as ..... processing.

● Answer question No. 41 - 50, writing the **suitable answers** in the space provided.

41. Mention **four** reasons as to why entrepreneurship is important for a country.

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

42. Write the correct promotion mix for the following examples.

Example	Promotion mix
(1) Buy one get one free (BOGOF)	(A) .....
(2) A personal visit to a potential customer	(B) .....
(3) Sponsoring a cricket tournament	(C) .....
(4) A personalized email campaign	(D) .....

43. Indicate **four** benefits a manager can obtain by analysing the financial statements of a company.

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

44. Name **four** contractual savings institutions in Sri Lanka.

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

45. Write **four** benefits an employee can obtain from an employee performance appraisal.

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

46. Mention **four** key functions of a Computer-Based Information System (CBIS).

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

47. Indicate **four** agency activities of the Central Bank of Sri Lanka.

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

48. Write the full form of Information Technology related abbreviations given below.

- (1) AI : .....  
 (2) WWW : .....  
 (3) LAN : .....  
 (4) VOIP : .....

49. Name **four** key parties involved in a letter of credit (LC) used in international trade.

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

50. Indicate **four** key factors a lending organizations would consider in a business plan when deciding to grant a loan.

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

\* \* \*



AL/2024/32/E-II

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 இலங்கைப் பரீட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம்  
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 ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව  
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 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

**අධ්‍යයන පොදු සහතික පත්‍ර (උසස් පෙළ) විභාගය, 2024**  
**கல்விப் பொதுத் தராதரப் பத்திர (உயர் தர)ப் பரீட்சை, 2024**  
**General Certificate of Education (Adv. Level) Examination, 2024**

ව්‍යාපාර අධ්‍යයනය **II**  
 வணிகக் கல்வி **II**  
**Business Studies II**

**32 E II**

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 you will answer and decide which of them you will prioritise.

**Instructions:**

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

**Part I**

- Amanda is an owner-manager of a fast food outlet. She sells healthy organic food while accepting orders via online. However, the sales volume of organic food has declined due to the country's economic instability, competition from foreign franchises and the legal restrictions on the use of plastic containers. Consequently, she decided to layoff some of her employees.
  - (a) What is the production sector Amanda's business belong to? Give a reason for your answer. (02 marks)
  - (b) State **two** advantages and **two** disadvantages of Amanda being an owner-manager of the business. (02 marks)
  - (ii) (a) Name **two** characteristics of Amanda's business. (02 marks)
  - (b) State **four** ways that Amanda's business can contribute to the growth of the economy. (02 marks)
  - (iii) (a) Considering the case, write **two** task environmental forces and **two** macro environmental forces that influence Amanda's business. (02 marks)
  - (b) Indicate **two** social responsibilities to be fulfilled by Amanda's business to the society. (02 marks)
  - (iv) (a) According to the Food (labelling and advertising) Regulation of 2005 in Sri Lanka, name **four** mandatory information that should be stated on food packages. (02 marks)
  - (b) Indicate **two** reasons as to why foreign fast food franchises should be considered as competitors to Amanda's business. (02 marks)
  - (v) (a) Describe the impact of layoff for existing employees of this business. (02 marks)
  - (b) Suggest **two** strategies Amanda can implement to recover the lost sales. (02 marks)

(Total 20 marks)
- The legal advisor of Kalana and Akbar advised them to register their agri-business as a partnership. Recently, they received an order for value added tea. For the completion of this order, an additional investment of Rs. 5 million is required for which they are considering the following options:
  - admitting a new partner
  - forming a private limited company
  - obtaining a bank loan

- (i) (a) Write **four** benefits Kalana and Akbar can enjoy by forming their business as a partnership. (02 marks)
- (b) Indicate **two** advantages Kalana and Akbar can obtain by registering their business as a partnership under the Business Names Ordinance, No. 06 of 1918 in Sri Lanka. (02 marks)
- (ii) (a) If the cost of production of agri-products increases, how does it impact the businessmen and consumers? (02 marks)
- (b) Indicate the main criteria to be followed in admitting a new partner for a partnership in the absence of a partnership deed. (02 marks)
- (iii) (a) State **two** ways Kalana and Akbar can add value to tea. (02 marks)
- (b) Write **two** services Kalana and Akbar can obtain from Sri Lanka Export Development Board (EDB) to promote their agri-products in international market. (02 marks)
- (iv) (a) Explain **four** key ways that differentiate a partnership from a private limited company. (02 marks)
- (b) State **four** limitations of a private limited company. (02 marks)
- (v) Write **two** advantages and **two** disadvantages to this business by obtaining a long-term bank loan. (04 marks)
- (Total 20 marks)
3. (i) (a) What is 'social entrepreneurship'? (02 marks)
- (b) Write **four** challenges of social entrepreneurship. (02 marks)
- (ii) (a) Describe **two** differences between an entrepreneur and a businessman. (02 marks)
- (b) State **four** advantages a customer can obtain through digital payment methods. (02 marks)
- (iii) (a) Explain **four** ways that differentiate large scale enterprises from Micro, Small and Medium scale (MSM) enterprises. (02 marks)
- (b) State **four** reasons that cause Micro, Small and Medium (MSM) scale enterprises to fail in Sri Lanka. (02 marks)
- (iv) (a) Describe the difference between 'mortgage loans' and 'bank overdrafts'. (02 marks)
- (b) Indicate **two** benefits a businessman can obtain by purchasing treasury bills. (02 marks)
- (v) (a) Write **two** purposes of maintaining records in counter foils of cheques. (02 marks)
- (b) What is meant by 'micro-financing'? (02 marks)
- (Total 20 marks)
4. (i) (a) Name **two** beneficiaries of a life insurance. (02 marks)
- (b) State **two** benefits an exporter can obtain through Export Credit Insurance. (02 marks)
- (ii) (a) Mention **four** advantages of social media to a business organization. (02 marks)
- (b) State **four** disadvantages of signs and symbols used in communication. (02 marks)
- (iii) (a) What is meant by 'free trade'? (02 marks)
- (b) Explain the term 'multi-modal transport' with an example. (02 marks)
- (iv) (a) State **two** differences between an agent and a distributor? (02 marks)
- (b) Explain with an example how do tariff barriers (TB) differ from non-tariff barriers (NTB). (02 marks)
- (v) (a) Indicate **four** reasons why wholesale trade is important to a producer? (02 marks)
- (b) Explain **four** advantages of online trade for a businessman. (02 marks)
- (Total 20 marks)

## Part II

5. Ridma established a toy manufacturing factory that uses recycled materials and implements a cellular production layout. She applies diverse employee motivational methods and gets employee involvement in decision making. Moreover, she adopts the methodology of early correction before problems occur in the production process. Her management is characterized by self-confidence, industry expertise and collaboration with the workforce.

- (i) (a) Mention **two** managerial skills Ridma possesses. (02 marks)
  - (b) Based on the behaviour, name the leadership style Ridma adopts considering the case. Give a reason for your answer. (02 marks)
  - (ii) (a) State the controlling technique Ridma uses in the production process. (02 marks)
  - (b) Describe **two** elements that should contain in the toys products for children to ensure quality. (02 marks)
  - (iii) Name **two** financial and **two** non-financial motivational methods Ridma can apply. (04 marks)
  - (iv) (a) Describe **two** methods the factory can use to enhance machine productivity. (02 marks)
  - (b) Explain **two** advantages Ridma can obtain by using recycled materials in toy manufacturing. (02 marks)
  - (v) (a) What is a 'cellular layout'? (02 marks)
  - (b) Write an advantage and a disadvantage of the cellular layout. (02 marks)
- (Total 20 marks)

6. ABC Automobile (Pvt) Ltd Company produces and sells luxury branded cars targeting high-profile and wealthy individuals. The company uses JIT inventory control method and conducts market research for products which are at the growth stage of the product life cycle. The promotional media used by the company are mainly Facebook, YouTube, Instagram and TikTok. The company sells a car at a price of Rs. 10 000 000 and variable cost is Rs. 3 500 000. Fixed costs is Rs. 65 000 000.

- (i) (a) What is meant by the 'JIT method'? (02 marks)
  - (b) Describe **two** advantages of using JIT method in the inventory control. (02 marks)
  - (ii) (a) Define 'target market'. (02 marks)
  - (b) Briefly describe the importance of conducting market research for the above company. (02 marks)
  - (iii) (a) Name the base the above company adopted to segment the market and give a reason for your answer. (02 marks)
  - (b) Write **four** benefits the company can obtain through market segmentation. (02 marks)
  - (iv) (a) Name the market promotion method Facebook, YouTube, Instagram and TikTok refers to. (02 marks)
  - (b) Write **two** characteristics that can be observed at the growth stage of a product life cycle. (02 marks)
  - (v) (a) What is the break-even point in units and rupees of this company? (02 marks)
  - (b) If the company sold 15 units of cars, calculate the profit. (02 marks)
- (Total 20 marks)

7. (i) (a) Define the 'liquidity ratio'. (02 marks)  
 (b) Explain **two** benefits of liquidity ratio for a business. (02 marks)
- (ii) (a) Indicate **four** benefits of preparing a cash budget for a business. (02 marks)  
 (b) What is 'inter-bank call money market' of the Central Bank of Sri Lanka? (02 marks)
- (iii) (a) Describe the impact of excess employees for a company. (02 marks)  
 (b) Write **two** methods a company can use to identify employee grievances. (02 marks)
- (iv) (a) State **four** disciplinary actions an employer can take against employees. (02 marks)  
 (b) Write **four** benefits a member is entitled to obtain from the Employee Trust Fund (ETF). (02 marks)
- (v) (a) What is 'performance appraisal'? (02 marks)  
 (b) Describe **two** advantages a business can obtain by maintaining a 'skill inventory'. (02 marks)
- (Total 20 marks)
8. (i) (a) Mention **four** ways in which data can be presented. (02 marks)  
 (b) Name **four** characteristics of good information. (02 marks)
- (ii) (a) Describe **two** benefits an organization can obtain by using information technology. (02 marks)  
 (b) Explain 'File Transfer Protocol' (FTP). (02 marks)
- (iii) (a) State the key difference between proprietary software and open-source software. (02 marks)  
 (b) What is a 'computer virus'? (02 marks)
- (iv) (a) State **four** information that should be presented in the Competitive Analysis of marketing plan. (02 marks)  
 (b) Explain why the business plan is needed to an organization. (02 marks)
- (v) (a) What is 'working capital'? Write **two** reasons as to why it is essential for a business. (02 marks)  
 (b) Write **two** benefits a business can enjoy by obtaining an Environment Protection Licence (EPL) from the Central Environmental Authority in Sri Lanka. (02 marks)
- (Total 20 marks)

\* \* \*



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