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සියලුම 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
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අධ්‍යයන පොදු සහතික පත්‍ර (උසස් පෙළ) විභාගය, 2023 (2024)
 கல்விப் பொதுத் தராதரப் பத்திர (உயர் தர)ப் பரீட்சை, 2023 (2024)
 General Certificate of Education (Adv. Level) Examination, 2023 (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

- Amali registered a yoghurt manufacturing firm by the name of 'Yummy Yoghurt'. She operates it by a loan obtained from a state bank. She intends to operate the business activities while engaging in social responsibilities. Amali has recruited five workers for the business. Currently, she explores new avenues that can add value to the product.
 - (a) State the classification of this business based on each of the following:
 - nature of the product (01 mark)
 - objective (01 mark)
 - (b) Write **four** advantages Amali gains by obtaining a bank loan for the business. (02 marks)
 - (ii) (a) Describe the meaning of 'value addition'. (02 marks)
 - (b) State **two** advantages Amali can obtain from the value addition to the product. (02 marks)
 - (iii) (a) Indicate the legal requirement Amali should adhere to based on each of the following aspects:
 - Business registration (01 mark)
 - Percentage of employer contribution for Employee Trust Fund (ETF) (01 mark)
 - (b) State whether 'Yummy Yoghurt' firm is liable or not to pay income tax? Briefly explain your answer. (02 marks)
 - (iv) (a) Mention **two** social responsibilities Amali can perform through her business. (02 marks)
 - (b) Briefly explain why a business needs to engage in social responsibilities. (02 marks)
 - (v) Name **two** external and **two** internal stakeholders and state an influence from each stakeholder on Amali's business. (04 marks)

(Total 20 marks)
- Rasika established a software development firm in Sri Lanka on his own. Initially, his business catered to local clients and eventually expanded to the international level. During this period, Rasika has showcased a dynamic leadership style and built a good rapport with his clients. He is also very keen to participate in training programs to upscale his skills. Because of the complexity and size of the business operations, Rasika intends to convert the business into a Private Limited Company.
 - (a) State **four** limitations of a sole proprietorship. (02 marks)
 - (b) Write **two** entrepreneurial skills Rasika possesses based on the above case. (02 marks)

- (ii) (a) If Rasika develops a web-based software, state whether that belongs to a good or a service and justify your answer giving **two** reasons. (02 marks)
- (b) Write **two** advantages of a Private Limited Company compared to a sole proprietorship. (02 marks)
- (iii) (a) State separately, the minimum number of directors to be appointed for a Public Limited Company and a Private Limited Company according to the Companies Act No. 07 of 2007. (02 marks)
- (b) Name **four** documents needed to be submitted to the Registrar of Companies office to incorporate Rasika's business as a Private Limited Company according to the Companies Act No. 07 of 2007. (02 marks)
- (iv) (a) Write **four** benefits Rasika can enjoy by outsourcing certain activities of his business. (02 marks)
- (b) Mention **two** challenges he will have to face when outsourcing the business activities. (02 marks)
- (v) State and explain **two** contributions this business can provide to address the current economic crisis in Sri Lanka. (04 marks)
- (Total 20 marks)

3. (i) (a) What is meant by 'management of public debts' by the Central Bank of Sri Lanka. (02 marks)
- (b) Explain the role of 'Sri Lanka Inter-bank Payment System' (SLIPS). (02 marks)
- (ii) (a) What is the role of unit trust management companies? (02 marks)
- (b) In which instance does a bank dishonour a cheque stating 'refer to drawer'? (02 marks)
- (iii) (a) What is meant by subrogation principle of insurance? (02 marks)
- (b) Introduce 'marine cargo insurance'. (02 marks)
- (iv) (a) State what is 'informal communication' and provide an example for it. (02 marks)
- (b) Write **two** advantages and **two** disadvantages of informal communication. (02 marks)
- (v) (a) Write **four** advantages of containerization for the transportation of goods. (02 marks)
- (b) Briefly explain the difference between transport and logistics? (02 marks)
- (Total 20 marks)

4. (i) (a) Write **four** differences between wholesale trade and retail trade. (02 marks)
- (b) State **two** factors to be considered in designing a warehouse for storing industrial chemicals. (02 marks)
- (ii) (a) State **two** e-business models and briefly explain each of them. (02 marks)
- (b) What is meant by e-retailing? (02 marks)
- (iii) (a) Define 'product franchises'. (02 marks)
- (b) State **four** advantages of internationalization for a business. (02 marks)
- (iv) (a) Describe **two** functions of a bill of lading. (02 marks)
- (b) What is Entrepot trade? (02 marks)
- (v) (a) State **two** multi-lateral trade agreements. (02 marks)
- (b) Mention **four** advantages a country can gain from multi-lateral trade agreements. (02 marks)
- (Total 20 marks)

Part II

5. Kamalini is the owner of a printing company. With the growth of the company, Kamalini realized the need of creating an organizational chart and delegating authority. She adopts control systems and employ motivational tactics to enhance the quality of the printing.

- (i) (a) What is an 'organizational chart'? (02 marks)
 (b) Write **four** principles Kamalini needs to consider in creating an organizational structure. (02 marks)
- (ii) (a) What is meant by 'delegation of authority'? (02 marks)
 (b) Write **two** challenges Kamalini faces in delegating authority? (02 marks)
- (iii) (a) Explain why employee motivation is required for Kamalini's company. (02 marks)
 (b) Write **two** non-financial motivational tactics Kamalini can adopt for her business. (02 marks)
- (iv) (a) Explain how quality of printing will be enhanced if Kamalini uses Computerized Numerical Control (CNC) system for production. (02 marks)
 (b) Some production details of Kamalini's company are given below.

Description	Estimated	Actual
Raw material cost per unit	Rs. 200	Rs. 250
Raw material quantity per unit of production	06 kg	08 kg

If the company produced 300 units in January,

- (1) Calculate the price variance. (01 mark)
 (2) State whether the variance calculated in (1) above is favourable or unfavourable for Kamalini's business. (01 mark)
- (v) State most appropriate production method that Kamalini should apply for her business with **three** advantages of it. (04 marks)
- (Total 20 marks)

6. Kanchana recently started an electrical appliance manufacturing company in Sri Lanka. Although his products are at an introductory stage of the Product Life Cycle, he is much concerned about the quality of products. He is also interested in sources of financing and breakeven point of the business.

- (i) (a) State **two** characteristics of a product which is at an introductory stage. (02 marks)
 (b) Write **two** challenges Kanchana will face at the introductory stage of the product. (02 marks)
- (ii) (a) State **four** quality elements Kanchana should consider in designing a product. (02 marks)
 (b) Suggest **four** methods of advertising Kanchana can use to promote the products. (02 marks)
- (iii) (a) What is 'market segmentation'? (02 marks)
 (b) Briefly explain **two** methods Kanchana can adopt to segment the domestic electrical appliance market. (02 marks)
- (iv) (a) Write **two** direct financial sources Kanchana can use for the business. (02 marks)
 (b) State **two** instances where capital investment decisions are needed to be made in operating Kanchana's business. (02 marks)

[See page four]

- (v) Some information on production-related costs of Kanchana's business are given below:

	Rs.	
Fixed cost	300 000	
Variable cost (per unit)	500	
Selling price (per unit)	1 000	
(a) Calculate the break-even point:		
(1) in units		(01 mark)
(2) in rupees		(01 mark)
(b) If the company sells 1 500 units, what will be the profit gained?		(01 mark)
(c) If the company doubles the selling price, what will be the new break-even point in units?		(01 mark)
		(Total 20 marks)

7. (i) (a) Name **two** ways a Public Limited Company can register in the Colombo Stock Exchange (CSE). (02 marks)
- (b) What is meant by the 'All Share Price Index' (ASPI)? (02 marks)
- (ii) (a) State **two** differences between cash budget and capital budget. (02 marks)
- (b) Mention **four** objectives of financial management. (02 marks)
- (iii) (a) Explain what is meant by Return on Investment (ROI) ratio and indicate **two** decisions an investor can make by using it. (02 marks)
- (b) State why an organization requires human resource planning and write **two** advantages that can be obtained from it. (02 marks)
- (iv) (a) Write **two** advantages and **two** disadvantages of recruiting casual employees for an organization. (02 marks)
- (b) State **two** benefits each an employer and employee can gain through a performance appraisal. (02 marks)
- (v) (a) State **two** ways of providing on-the-job training and indicate **two** benefits an organization can obtain from it. (02 marks)
- (b) Write **four** advantages of an effective grievance handling process for a business. (02 marks)
- (Total 20 marks)
8. (i) (a) Explain what is meant by 'exit interviews' and state **two** benefits an organization can obtain from it. (02 marks)
- (b) Explain the process of data processing using an example. (02 marks)
- (ii) (a) State **four** methods that information can be classified according to the source. (02 marks)
- (b) Write **two** methods a company can adopt to ensure data protection. (02 marks)
- (iii) (a) Describe 'Strategic Information Systems' (SIS) and write **two** advantages from it for an organization. (02 marks)
- (b) Explain how Management Information Systems assist decision making of middle managers. (02 marks)
- (iv) (a) State **two** instances each where social media can be a threat to businesses and customers. (02 marks)
- (b) State **four** situations a business plan is required for an organization. (02 marks)
- (v) (a) What is a 'green product'? (02 marks)
- (b) Write **four** advantages for consumers from green products. (02 marks)
- (Total 20 marks)