

- 05 A code of ethics is built with consideration of competitors by a business,
 (1) Treat all employees equally
 (2) Not damaging other business images in advertising
 (3) Not using religions symbols in business activities
 (4) Producing high quality products
 (5) Being polite to elders (.....)

- 06 To achieve the economic goals of the government businesses contributes,
 (1) By minimizing the damage to the environment
 (2) By creating full employment
 (3) By ensuring consumer protection
 (4) By creating economic stability
 (5) By maintaining competitiveness in the market (.....)

- 07 The standard for food safety Management systems is,
 (1) ISO 9001 (2) ISO 14001 (3) ISO 22000
 (4) ISO 27000 (5) ISO 51000 (.....)

- 08 Below is few taxes of sri lanka
 A- Corporation Tax B- Nations Building Tax (NBT)
 C- VAT D- Custom duties F- Capital gain Tax
 Select the answer which containing direct taxes only.
 (1) A, B, C (2) A, B, F (3) B, E, F
 (4) C, D, E (5) D, E, F (.....)

- 09 Below are some advantages and (disadvantages) limitations of partnerships.
 A - Distributing losses among partners B - Unlimited liability
 C - Easy to initiate D - Bringing together people with different skills
 E - Not a legal entity F - Distributing profit among partners
 G - Possibility of gathering immense capital
 Among the above the answer which explains advantages and limitation of partnerships is,

	Advantages	Limitations / Disadvantages
(1)	A, C, D, G	B, E, F
(2)	A, B, D, G	C, E, F
(3)	B, C, D, E	A, F, G
(4)	A, C, F, G	B, D, F
(5)	B, D, E, G	A, C, F

(.....)

- 10 Below are some characteristics of incorporated companies
 A- Ability to issue shares to public
 B- Maximum number of share holders is 50
 C- Ability to collect capital by issuing shares & debentures
 D- The minimum number of directors being one
 E- Insolvency test is required prior to the distribution of dividends to the share holders.
 Select answer which explains characteristics of public companies and private companies separately.

	Characteristics of public companies	Characteristics of private companies
(1)	A, C, E	B, D
(2)	A, B, C	D, E
(3)	A, B, D	C, E
(4)	B, C, D	A, E
(5)	B, D, E	A, C

(.....)

11 Following are some of the various characteristics of business organizations.

- A - Enjoy profits alone
- B - The unlimited liabilities will be distributed among few
- C - Coming to success on collective decision making.
- D - Division of profits or losses among several persons
- E - Becoming an independent legal entity
- F - There should be a minimum of 2 partners and a maximum of 20 partners

Among the above ,the characteristics related to a partnership are ,

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

12 The following are some of the documents to be submitted while registering a business

- A - Application for the registration of the company.
- B - The articles of association
- C - 2 copies of the interim constitution
- D - The minutes of the general meeting at which the resolution for the registering
- E - Feasibility report of the proposed economic activity
- F - Constitutional statement

Among the above documents , the documents to be submitted for registration of a cooperative society are

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

13 Below are some trends in entrepreneurship and events ,

Trends in entrepreneurship	Events
01 Global Entrepreneurship	A - a learning center for children with special needs starts by Rotary club
02 Green Entrepreneurship	B - Introducing a mobile with modern facilities to the board of director by an employee of Dil Telephone Company.
03 Intra Entrepreneurship	C - Star mobile company jointly with Net mobile company provide internet services with latest voice facilities.
04 Social Entrepreneurship	D - Nirmani company introduces a paperless office system

Select the answer with the sequence indicating the event that best fits the trends in Entrepreneurship.

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

14 Choose the answer that shows the correct order of entrepreneurial process.

- (1) Concept development and preparing business plan → Resourcing → Harvesting → Discovery → Actualization
- (2) Resourcing → Discovery → Concept development and preparing business plan → Actualization → Harvesting
- (3) Discovery → Concept development & preparing → business plan Resourcing → Actualization → Harvesting
- (4) Discovery → Resourcing → Harvesting → Concept development & preparing business plan → Actualization
- (5) Concept development and preparing business plan → Harvesting → Discovery → Resourcing → Actualization (.....)

- 15 Different criteria are used to identify small and medium scale industries by various institutions in Sri Lanka. Such few institutions in column A and criteria in column B are listed below

A	B
1. Central Bank of Sri Lanka	number of employees
2. Institute of Industrial Technology	usage of electricity
3. Department of Census & Statistics	invested capital

The answer is in the order of the criteria used to identify the institutions shown in column B and the businesses in column A,

- (1) Invested Capital / Usage of electricity / No. of employees
 (2) Usage of electricity / No. of employees / Invested Capital
 (3) No. of employees / Usage of electricity / Invested Capital
 (4) Usage of electricity / Invested Capital / No. of employees
 (5) Invested Capital / No. of employees / Usage of electricity (.....)
- 16 A - Balances in savings accounts B - Balances in Current accounts
 C - Notes and coins D - Credit cards and debit cards
 E - balances in time deposits
- From the above which can acceptable as near money?
- (1) A & B only. (2) B & C only. (3) A & E only.
 (4) B & D only. (5) C & E only (.....)
- 17 The following are the financial institutions in Sri Lanka
 A - Licensed finance companies B - Leasing companies
 C - Insurance companies D - Unit trust / Unit trust management companies
 E - Venture capital companies F - Licensed specialized banks
- Among these specialised financial institutions are,
- (1) A, B & D (2) B, E, & F (3) B, D & E
 (4) B, E, & C (5) C, E & A (.....)
- 18 The objectives and functions of central bank of Sri Lanka are given below
 A - To maintain economic & price stability
 B - Issuing of the currency
 C - Manipulation of exchange ratio policies
 D - To maintain stability of the financial system
 E - Manipulation of finance policies
- select the answer that includes functions of CBSL from these
- (1) A, B, C (2) A, C, D (3) B, C, E
 (4) A, D, E (5) B, C, D (.....)
- 19 Nuwan insured his business building in two insurance companies A & B for Rs 200,000/= & Rs 400,000/= respectively. This building was damaged, Rs 300,000/= by fire. How much is the loss payable by A & B insurance companies?
- (1) Rs ,200,000/= from A , Rs, 100,000/= from B
 (2) Rs ,200,000/= from A , Rs, 400,000/= from B
 (3) Rs ,200,000/= from A , Rs, 300,000/= from B
 (4) Rs ,150,000/= from A , Rs, 150,000/= from B
 (5) Rs ,100,000/= from A , Rs, 200,000/= from B (.....)

Grade 12

Business Studies- I

- 20 Which is not a must have element for making an insurance agreement?
 (1) Acceptance (2) Legal validity (3) Proposal
 (4) Verification (5) Ability to have legal obligation (.....)
- 21 The function done by the memos which is a means of internal communication is,
 (1) A document in which the head of one department of the business invites the head of another department to a meeting.
 (2) A request from another department to the finance department for monthly salary advances.
 (3) A reminder sent by the head of the company to all the directors informing them that the annual general meeting will be held.
 (4) It is a form or paper used by an executive officer of the organization to notify another party of a special short message in writing.
 (5) A leaflet used to announce messages to internal parties which done through tele communication net works. (.....)
- 22 A telephone net work is introduced for communication within the organization and between its branches
 (1) Audio vision (2) Intercom (3) Extranet
 (4) Intranet (5) Internet (.....)
- 23 How to introduce the process of sending a message from a personal computer to another personal computer using the internet?
 (1) Video conference (2) File Transfer protocol (3) Telephone conference
 (4) E - mail (5) Voice mail (.....)
- 24 Various documents are used in different mode of transportation. One such is shown below,

Modes of Transportation	Document used
01. Carriage of goods in road transport	A - Bill of loading
02. Carriage of passengers in road transport	B - Airway Bill
03. Carriage of goods in ocean transport	C - Ticket
04. Carriage of goods by air	D - Delivery order
05. Transportation of goods by rail	E - Rail consignment

When the mode of transport and the document are matched respectively,

- (1) ABCDE (2) EDCBA (3) DCABE
 (4) CBADE (5) ECADB (.....)

25. A ship takes a different route than the one it is supposed to travel ,
 (1) Maritime fraud (2) Naval sacrifice (3) Nautical deviation
 (4) Naval order (5) Naval replacement (.....)
26. The current Sri Lankan government has planned an offshore city ,
 (1) Under the Colombo port city project (2) Under the Olivil port city project
 (3) Under the Hambantota city project (4) Under the Trincomalee city project
 (5) Under the Galle city project (.....)
27. Below are trade agreements, trade organisations and the member countries of those organizations,

Trade agreement / trade organisations	Countries belonging
01. European Union (EU)	A - Bangladesh, India, Myanmar, Sri Lanka, Thailand
02. North American free trade agreement (NAFTA)	B - United Kingdom , France , Belgium Denmark , German , Greece , Ireland, Luxembourg
03. European Free Trade Agreement	C - Sri Lanka , Pakistan , India , Nepal , Maldives, Bangladesh , Bhutan
04. South Asian Association for regional Co-operation (SAARC)	D - Sweden , Norway , Austria , Switzerland , Finland
05. BIMST - EC	E - USA , Canada , Mexico

The answer which correctly matches trade zones and countries belong to,

- (1) BEDAC (2) ABCDE (3) BACDE
 (4) BEDCA (5) CABDE (.....)
28. The document used to by an exporter to obtain a pure bill of lading who has obtained an impure bill of lading is known as,
 (1) Letter of Hypothecation (2) Certificate of Indemnity
 (3) Letter of Indemnity (4) Bill of sight
 (5) Mate's Receipt (.....)
29. The agreement on tariffs and trade (GATT) is replaced by the organization ,
 (1) International Bank of Reconstruction Development (I.B.R.D)
 (2) European Union
 (3) World Trade Center
 (4) World Trade Organization
 (5) International Monetary Fund (I M F) (.....)
30. A factor which is not based on foreign Trade ,
 (1) Government believes that the local manufacturer should be protected
 (2) Anomaly distribution of Naturel resources
 (3) Relative cost advantage
 (4) Existence of a legal monopoly on some products in some countries
 (5) Decrease of Trade barriers (.....)

• **Write the correct word/ words on the blanks for the questions 31 to 40.**

- 31 (a) Out of different stakeholders, businesses are interested in , to ensure their existence, while showing interest in to protect the market.
- (b) In the business process of a bakery , the land on which the bakery is located belongs to and the bakery building belongs to
- 32 (a) The ability to begin and to maintain a business is a and the inability is called a
- (b) Forests belong to the environment. But obtaining permission to cut trees for business purposes belongs to the environment.
- 33 (a) The rules and norms that govern the conduct of a business are called and doing business fairly and legally is called
- (b) Converting a higher valued in to a low valued is called low cycle.
- 34 (a) The main objective of monetary policy is to control where the price level is expected to be maintained over long period of time.
- (b) is world consumer day and is world Environment day .
- 35 (a) If a sole Proprietorship business is carried on in a name other than the full name should be registered under the ordinance
- (b) The maximum number of partners in a partnership is limited to 20 under the act
- 36 (a) Businesses with a capital of less than by the small Industries. Department and businesses with the capital of less then by the Ministry of Industrial Development are called Small and Medium Enterprises.
- (b) Examples of incentives given to encourage small & medium scale businesses are tax concessions and loans.
- 37 (a) Organizations like is Sarvodaya and JICA are organizations that provide incentives to businessess , while Sri Lanka standard Institute and Export Development Board are examples of organizations that provides incentives.
- (b)provides re- financing facilities for the project which is financed by Japan Bank for International Co-operatin (JBIC).

- 38 (a) using the internet to deliver goods directly to consumers is called
- (b) The ability of one country to produce goods more efficiently than another country with the same amount of inputs is called.....

- 39 (a) The space of occurring damage which can be estimated financially is known asin insurance and the cause of loss is called.....
- (b) Insuring an insurance risk assumed by an insurance company by that insurance company to another company or several companies is called.....

- 40 (a) The was commenced on the 27th of December 1945 in the City of Bretton woods, Hampshire, USA.
- (b) An international market set up to sell greenhouse gas emissions at a competitive price is called a, with a view to reducing global warming.

● **Supply specific answers for the question No 41 to 50**

- 41 Write 4 characteristics of a want
 - (1)
 - (2)
 - (3)
 - (4)

- 42 Name 4 social responsibilities that should be fulfilled towards the employees of a business by the business.
 - (1)
 - (2)
 - (3)
 - (4)

- 43 Give 4 examples for direct tax.
 - (1)
 - (2)
 - (3)
 - (4)

- 44 Write consumer rights has declared by John F Kennedy.
 - (1)
 - (2)
 - (3)
 - (4)

45 Mention 4 characteristics of businesses which control under the local authorities.

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

46 Mention 4 benefit to the franchisee through franchise business.

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

47 Mention 4 entrepreneurial skills.

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

48 Give 4 reasons why the central bank of Sri Lanka is known as the government bank .

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

49 Name 4 parties are involved in a credit card.

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

50 Name 4 documents used in domestic trade .

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

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තෙවන වාර පරීක්ෂණය - 12 ශ්‍රේණිය - 2023
 Third Term Test - Grade 12 - 2023

Index No:

Business Studies - II

Two Hours

Instructions

Answer 5 questions selecting at test 2 questions from each part.

Part - I

- (01) After completing a beauty course successfully by Thushani Rajapaksha started and runs a beauty salon named "Thushara". For this, she took a bank loan of Rs. 800,000/ from bank of ceylon in addition to Rs. 400,000/- of her savings she bought a building with spending Rs. 1,000,000 and spent another Rs. 200,000/- to import a set of modern equipment from an indian company to improve the quality of the product she recruited Amaranath as the Manager and she already has a trained staff. Customers can visit the salon or have the staff delivered to their homes to get the services.
- (i) a) Name five stakeholder in "Thushara" business. (2 marks)
 b) Name the nature of the product that provided by Thushara's business and given reasons for the answer. (2 marks)
- (ii) classify the business according to following criteria.
 a) According to ownership
 b) According to objectives
 c) According to the scale
 d) According to the production sector (4 marks)
- (iii) a) Write to each of strengths and weaknesses of Thushara's business (2 marks)
 b) Write the 2 ways of in which Thurshara's business contributed to the development of the country (2 marks)
- (iv) a) Give reasons for the answer as far as whether this business is carried out to fulfill a need or a want. (2 marks)
 b) Write 2 strategies used to increase the demand of this business except the "price." (2 marks)
- (v) a) Write two main types of trade and give examples from "Thushara" business (2 marks)
 b) Name 4 resources that "Thushara" business has used in addition to entrepreneurship with examples. (2 marks)
- (02) (i) a) Write 4 business functions (2marks)
 b) Name 2 main activities of business (2 marks)
- (ii) a) What is meant by "code or ethics" of a business? (2 marks)
 b) What are the factors should be considered when forming a code of ethics? (2 marks)
- (iii) a) Introduce "Sustainable development" (2 marks)
 b) Define recycling and name its main 2 forms (2 marks)
- (iv) a) Mention the 4 areas that should be prioritized as social responsibility of businesses as indicated by united nations. (2 marks)
 b) Name 2 advantages and 2 disadvantages that a business can achive by fulfilling its social responsibilities properly. (2 marks)

- (v) a) name the 3 ways that the government's influence occurs on businesses in Sri Lanka. (2 marks)
- b) "Government is providing infrastructure facilities to businesses." For this submit the examples as mentioned above 3. (2 marks)
- (03) (i) a) Explain "Economic stability" (2 marks)
- b) Economics stability has two parts. Name and briefly explain them. (2 marks)
- (ii) a) Explain fiscal policy in brief and write the objective of it. (2 marks)
- b) Name 4 instruments are used to execute monetary policy by the central bank of SL. (2 marks)
- (iii) a) Explain the concept of "consumer protection" (2 marks)
- b) Name 4 institute that work for consumer protection in SL. (2 marks)
- (iv) a) Show in a flowchart the classification of public sector business organizations. (2 marks)
- b) Mention the procedure of registering a sole proprietorship. (2 marks)
- (v) a) Mention the documents have to be submitted to the Registrar of companies for incorporation of company. (2 marks)
- b) Mention 4 characteristics of a company limited by Guarantee (2 marks)
- (04) (i) a) Mention 4 policies presented at the Conference held in Manchester. (2 marks)
- b) Explain the business format franchises (2 marks)
- (ii) a) What is business combination?
Explain the ways of that can happen. (2 marks)
- b) Mention 4 characteristic can be seen in a state corporation. (2 marks)
- (iii) a) Define state companies and give 2 examples (2 marks)
- b) Mention the definition of entrepreneurship given by International labour organization (2 marks)
- (iv) a) Write 4 industrial benefits of entrepreneurship. (2 marks)
- b) Write 4 entrepreneurial characteristics (2 marks)
- (v) "All enterprises are business and not all businesses are enterprises" Explain (4 marks)

Part - II

- (05) (i) a) Mention the definition of small & Medium scale businesses given by small scale Business Administration institute in the USA. (2 marks)
- b) Mention 4 ways of in which small businesses contribute to the development of a country. (2 marks)
- (ii) a) Mention 4 reasons for the failure of small and medium scale businesses. (2 marks)
- b) Mention 4 non financial incentives provide to small and medium scale businesses. (2 marks)
- (iii) a) Mention 4 differences in between saving accounts and current accounts. (2 marks)
- b) Mention 4 activities of a licenced finance companies (2 marks)
- (iv) what steps have been taken to overcome the competitiveness of commercial banks ? (4 marks)
- (v) a) Write 4 facts that should be taken in to consideration when drawing a cheque. (2 Marks)
- b) What are the reasons to be popular a crossed cheque among businessmen ? (2 marks)
- (06) (i) a) What are the agency activities of CBSL ? (2 marks)
- b) General recognition is a hallmark of good money. In order for there to be general recognition in the transaction, a currency must have other characteristics. Mention such 4 characteristics. (2 marks)
- (ii) Suraj sold his Motor vehicle for Rs. 5,000,000/= to Janidu. At that time Janidu paid Rs. 3 million to suraj and Suraj deposit that amount in the bank. Janidu agreed to pay the balance in 4 months.
- a) According to above case, what are the tasks / functions performed by the money ? (2 marks)
- b) Mention 4 facilities that has provided to make payments by electronic money. (2 marks)
- (iii) a) What are the characteristics of an insurable risk? (2 marks)
- b) Show 4 differences in between Insurance and protection. (2 marks)
- (iv) a) Name 2 policies available under the liability insurance and explain them. (2 marks)
- b) What are the trends that can be seen in the insurance industry today ? (2 marks)
- (v) a) Name 4 bases on which communication can be classified (2 marks)
- b) What are the benefits of maintaining a good internal communication System for a business ? (2 marks)
- (07) (i) a) Name 4 element of Communication (2 marks)
- b) What is an efective Communication ? (2 marks)
- (ii) a) What are the characteristics that should be in an effective communication? (2 marks)
- b) Name 4 Electronic Communication modes ? (2 marks)
- (iii) a) Nowadays Global positioning System is widely used for transportation purposes. Mention 4 benefits to the goods distribution businesses. (2 marks)
- b) Write down the warehousing process. (2 marks)
- (iv) a) Name 4 facts have to be considered when Locating a warehouse (2 marks)
- b) Name 4 equipments used in a warehouse. (2 marks)
- (v) What are the benefits of logistics ? (4 marks)

- (08) (i) a) All the countries in the world are connected with Foreign trade. What are the sources of information to find a foreign buyer? (2 marks)
- b) Although electronic commerce is popular, there are limitations. What are they? (2 marks)
- (ii) a) “Non-Store retailing is a trend seen in retailing today”.
- Give 4 different modes of operation of the above with examples. (2 marks)
- b) state two advantages and disadvantages of using intermediaries for trade from the producer's point of view. (2 marks)
- (iii) a) What benefits of those countries expect to achieve through trade agreements or organization established between countries? (2 marks)
- b) Briefly explain two of the following point.
- a. International Monetary Fund (IMF)
- b. Group of 8 (G8)
- c. Export Development Board
- d. Sri Lanka Customs Department. (2 marks)
- (iv) a) A Sri Lankan exporter has received orders to supply a stock of goods of artistic furniture to a foreign buyer. Explain the steps an exporter should take to fulfill this order. (2 marks)
- b) What are the new trends in foreign trade? (2 marks)
- (v) Indicate 8 factors influenced to popular e-trade. (2 marks)



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Third Term Test - Grade 12 - 2023

Business Studies

Answer Sheet

Part - I

- 1 -(4) 2 -(2) 3 -(5) 4 -(2) 5 -(2) 6 -(1) 7 -(3) 8 -(2) 9 -(1) 10-(1)
11-(5) 12-(2) 13-(2) 14-(3) 15-(4) 16-(3) 17-(3) 18-(3) 19-(5) 20-(4)
21-(4) 22-(2) 23-(4) 24-(3) 25-(3) 26-(1) 27-(4) 28-(3) 29-(4) 30-(1)

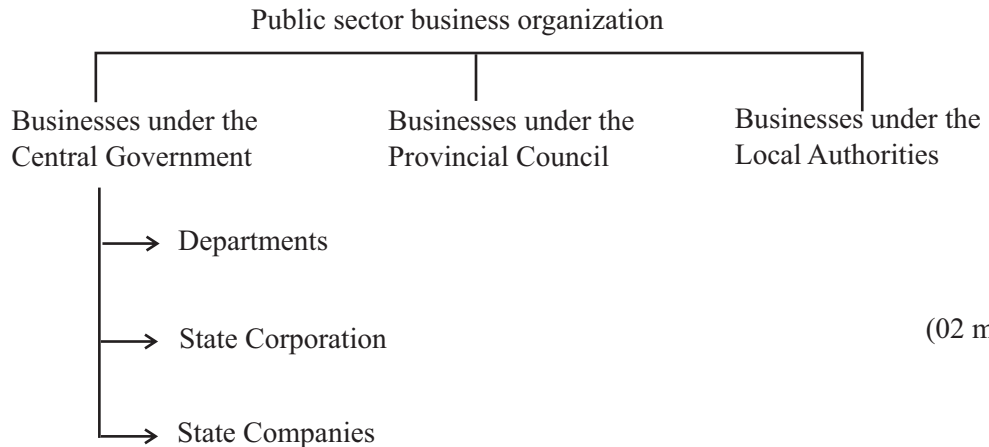
- 31 a. Owners / Customers b. Land / Capital
32 a. Strength / Weekness b. Natural / Legal
33 a. Business ethics / Business social responsibilities b. Raw materials / products
34 a. Inflation / Stable b. October 14 / June 05
35 a. Business name / No06 of 1918 b. Companies / no 07 of 2007
36 a. Rs, 4 million / Rs, 20 million b. Financial
37 a. Non - government / Government b. NDB / SUWANA (SMILE)
38 a. E- Commerce b. Relative cost advantage
39 a. Risk / Hazard b. Underwriting
40 a. IBRD / World bank b. Carbon Market
41 1) Being unlimited 2) Being different
3) Not essential 4) Can be created
5) Can be changed by social forces
42 1) Equality 2) Good employee relationship
3) Job security 4) health & safety
43 1) Income Tax 2) Corporate tax
3) With holding Tex 4) Capital gain Tax
5) Payee Tax
44 1) Right to safety 2) Right to be informed
3) Right to choose 4) Right to be heard
45 1) Being under institutions like Town councils , Municipal councils and Urban Councils
2) Being owned by local governments
3) Administretion is carried out by the local government authority
4) Funded by local government authorities
46 1) Ability to acquire a lager market niche from the goodwill of the franchiser
2) declining the tendency to be unsuccessful
3) Publicity being convenient because of a popular trade name
4) Ability to get management training from the franchiser
5) Possibility of receiving financial support from the franchiser
6) Ability of obtaining raw materials at a minium price
47 1) Leadership skills 2) Inter personal skills
3) Communication skills 4) Basic Management skills

- 48 1) Maintaing different types of government accounts
 2) Management of state loans.
 3) Working as the economic advisor of the government.
 4) Dealing with international organizations and countries on behalf of the government
- 49 1) Card holder 2) The card issuing organization
 3) The trader or seller 4) Credit card Association
- 50 1) Price inquiry 2) Quotation 3) Indent 4) Money order
 5) Receipt 6) Payment voucher 7) Invoice

Paper - II

- 01 (i) a) * Thushari/owner * Amaranath/Manger * Bank of Ceylon
 * Staff/employees * Customers (marks $\frac{1}{2} \times 4$)
 b) * AService * No physical existence / being a human process (1 mark)
- (ii) According to ownership - private
 According to object - profit motive
 According to Scale - Small / small & medium
 According to the production } - Tertiary (1 x4 = 04 marks)
 (iii) Strengths sector }
- * Thushari Is having completed a beauty course.
 * Having a trained staff * use of modern equipmat (02 marks)
- Weaknesses
 * Increase in loan capital
 * Emergence of working capital problems ($\frac{1}{2} \times 2 = 01$)
- b) 1. Generating employment
 2. by Paying tax
 3. Satisfying wants which are complex
 4. Contributing gross National production (1 x 2 = 02)
- (iv) a) A want (1 mark)
 b) 1. Working to maintues the quality
 (by using modern equipments) (1 mark)
 2. By providing services at home
 (by increasing facilities) (1 mark)
- (v) a) Domate Trade / Local
 Ex: purchasing a building for Rs. 1,000,000/=
 Foreign Trade
 Ex: Importing equipment.
 b) Land - the land in which the building is Located
 Labor - Employees
 Capital - Building / equipments / Money
 Knowledge - skills of employees / Management knowledge
 Time -
 Information - ($\frac{1}{2} \times 4 = 02$)
- (02) (i) a) Administration. Production
 Marketing Finance
 HRM RandD
 Managment Information Activities ($\frac{1}{2} \times 4 = 02$)
 b) * Fulfilment of needs and wants. * Adding value to the resources.

(iv) a)



(02 marks)

- b)
1. obtaining of an application form for the registration of business name of a sole proprietorship business from the divisional secretariat office of the area
 2. Obtaining report for the registrations of a business name from the relevant Grama Niladari
 3. Submission of the completed registration form the report obtain from the Grama Niladari and relevant registration fee to the divisional secretary
 4. Issue the certificate of registration of the business name by the divisional secretary after having examined the relevant documents above. (2 mares for 4 point in Correct order)

(v) a)

1. Application for the registration of the company
2. The articles of association
3. The statement containing the consent of each founder to act as the director
4. The statement containing the consent of founder secretary to act in that company. (2 marks for 4 facts)

b)

1. Establishments of focusing on the public purposes.
2. An issue of share not being practiced.
3. Sharing profits not being performed
4. Minimum number of members being 2 and maximum not being Limited
5. The extent of the contribution of each member in the event of winding up the company has to be specified in the Articles of Associatio (2 marks for 4 facts)

(04) (i) a)

- Voluntary & open membership
- Democratic control of members.
- Member economic participation
- Autonomy and independence (2 for 4 facts)

b)

- This is where the franchisee receives permission to carry on the business following the franchisor's procedure and with his brand name. (2 marks)

(ii) a)

- * Joining up of 2 or more businesses and engaging in business activities can be introduced as business combinations. - Mergers and Acquisitions
- * 2 or more companies are converted in to a single business entity Mergers
- * One company purchases a majority of the ordinary share capital of the other company Acquisitions.

b)

1. being established under the a special or General Act.

Grade 12

Business Studies

Answer Sheet

2. Having a legality.
 3. Full ownership or major ownership belong with the government
 4. Being controlled by a board of Directors appointed by the government
 5. capital being generated through government loans, reinvestment of dividends and contribution of the general public to debt capital
 6. Having the main objective of providing with an efficient service to the public at a minimum price
- (iii) a) Being a company incorporated under the companies Act as public limited company
Ex :- Lanka phosphate company Ltd.
Sri Lanka Telecom
Litro Gss Ltd (1 for 2 examples)
- b) Entrepreneurship is the ability to launch a new company and Carry it on successfully
- (iv) a)
 1. Having easy to face competition.
 2. Expansion of business activities
 3. Continuous development
 4. Expansions of market share
 5. Becoming the expertise in the industry.
- b)
 1. Willingness to take risies
 2. Creativity
 3. Commitment
 4. Self-confidence
 5. Self-reliant
- (v) Entrepreneurship is starting and running businesses by combining factors of production, risk management decision making and innovation to identify needs and satisfy them.
Business is any economic activity which fulfill human needs & wants.
According to that, although all businesses are born through entrepreneurship all businesses are not enterprises. Because identifying business opportunities, risk management and Innovations are done by enterprises comparatively businesses. Therefore although all enterprises are businesses, not all businesses are enterprises.
(4 Maks for a connect explanation)

Part - II

- (05) (i) a. A small business is one that is independently owned and independently operated but not gained any authority in the field. (2 marks)
- b.
 1. Contribution in growth of the national product
 2. Utilizing in land resources
 3. The inequality in income distribution being minimized
 4. Provide more employment opportunities
 5. The supplement of raw materials and finished goods required for the large scale businesses.
 6. Minimizing the problems of urbanization as a result of the regional development.
- (ii) a.
 1. Financial problems
 2. Inability to face the competition
 3. Weak points in Managment
 4. Less entrepreneurial skills
 5. Insufficient infrastructure facilities
- b.
 1. Advisory Services
 2. Entrepreneur development programmes
 3. Research and technological service.
 4. Provide infrastruchu facilities
 5. provide market facilities. (2 Mores fm 4 fack)

- (iii) a. Saving A/C Current A/c
- | | |
|--|---|
| 1. Owns a Pass book | 1. Owns a cheque book |
| 2. Cannot be issued cheques | 2. Can issue cheques |
| 3. owns an interest on the balance | 3. Balance does not carry interest |
| 4. commerical banks as well us financial institution maintain accounts | 4. Only commercial banks maintain this accounts |
- (2 marks for 4)
- b. 1. providly. hire-purchase facilities 2. Sale of land and property
3. Finance leasing 4. providing short term loans.
5. Investing in public state securities 6. Accepting time deposits. (2 for 4 facts)
- (iv) 1. Introducing attractive loan schemes
2. Introducing various attractive savings systems (Accounts)
3. Expanding the banking services and starting small banks units.
4. Introducing new teller cards, debit and credit cards
5. Directing to new services like insurance, leasing and chanelling
6. Introducing new electronic money tranfering system (4 Marus for 4 facts)
- (v) a. 1. Indelible ink should be used when writing a cheque
2. The relevant details should be mentioned on the counterfoil
3. Any errors made in writing the cheque must be stuck off with a single line with the drawers' full signature.
4. The cheque must be written in only one language
5. The drawer's signature must not be placed on a 'blank' cheque
6. Pay attention on the date placed on the cheque and its safety. (2 marks for 4 facts)
- b. 1. Minimizing the chances of fraudulent activities
2. High Security
3. To ensure that the (payee) stated on the cheque will receive its value.
4. To prevent paying to the cheque at the bank counter
5. Facilitation of legal proceedings. (2 for 4)
- (06) (i) a. - Managomet of state loans
- Foreign exchange control.
- To work as the primary institution concerned with rural loan schemes for small scale finance Institution
- Management of the Employee Provident fund
- b. 1. Durability 2. Difficulty in imitation
3. Easy movability 4. Homogeneity
5. Divisibility (2 for 4)
- (ii) a. I Being a medium of exchange II. Being a standard of value for measuring
- III. Acting as a Store of value IV. Acting as a deferred payment. (2 for 4)
- b. 1. Automatic Teller Machine (ATM)
2. Automete Deposit Machine (ADM)
3. Cheques Deposits Machine (CDM)
4. Electronic Funds Tranfer point of sales (pos)
5. Telebanking Facilities
6. Online Banking
7. Television banking (2 for 4)
- (iii) a. 1. Risks can be forcast
2. Risks that may happen in the future can be calculated in terms of money.
3. Risiks should not be certain.
4. It should be of no connection (2 for 4 facts)

- b. Insurance Protection
1. Related to propertys and liabilities 1. Related to life
 2. Premiums paid are non refundable 2. Premiums are refundable Whether there is damage or not
 3. Not similar to a saving 3. Similar to a saving
 4. Indemnity applies. 4. Indemnity is not applicable
 5. cannot be assigned. 5. can be assigned.
- (iv) a. 1. General liability Insurance
2. Employer liability Insurance
3. Product liability Insurance
(Name 2 of these, explain them each gets 1/2 and total a marks)
- b. 1. Privatization of Insurance companies
2. Insuranceing new Insurance covers.
3. Entering commercial banks in to insurance field
4. Efficiency of compensation.
5. Giving more benefit to insured.
- (v) a. 1 According to the territory.
2. According to the media.
3. According to the parties related to
4. According to the direction of message flow
5. According to the technology used
- b. 1. Being able to provide advice, knowledge and understanding from top to bottom
2. Employees to express their views.
3. Employees motivation & facilitating teamwork
4. Decision making easy.
5. Ease of problem solving
6. Ease of Coordination
- (07) (i) a. Sender Noise
Message Decoding
Encoding Media
Response Feedback (2 marks)
- b. Uninterrupted cmmunication that get an immediate response from the receiver includes the basic qualities a message should have (2 marks)
- (ii) a. Correctness Politeness
Brevity Consideration.
Completeness Cost
Clarity Speed (2 marks)
- b. E-mail Smart Phone
Extranet Internet
Intranet Video conferency
Voice Mail Intercom (2 marks)
- (iii) a. 1 Identifying the shortest possible route to the delivery point
2. Being able to know the distance and time to the place where the goods are to be delivered
3. Being able to understand the cost of transportation and be able to set the rates accordingly
4. To be able to understand the location of places where goods are to be delivered.
(2 marks)
- b. Receipt of Stocks Identification Inspection
Verification Ensuring quality Putting away
Receiving for Issue(2 marks)

- (iv) (a) Logout and flow of the building
Zoning and intensity of use in the warehouse
Proximity to major linkages
Material handling capabilities
Nature of the stocked materials
Cost (02 marks)
- (b) Forklift / Pallet Jacks / Conveyor belts / Fork lift truck (02 marks)
- (v) * Can gain the reliability of consumers by providing the products in the market continuously.
* Can minimize the cost through minimizing waste by doing all the activities according to a plan.
* Can face competition firmly.
* Can minimize the un-necessary cost relevant to machines and employees.
* Can ensure the quality of products.
* Can be leaders of the industry. (04 marks)
- (08) (i) a. Internet By - trade envoys
Foreign Trade Directory - Informations from foreign embassies
Information services of trade & home - Through private connections
Trade exhibitions
Information available in the chamber of commerce (2 marks)
- b. Non - spreading of internet facilities in all areas
Lack of consumer knowledge
Problems with payment, method
Legal restrictions such as taxation
Fraud & corruption related to computer systems (2 marks)
- (ii) a. Online retailing
Trade by catalogue
Direct marketing
Trade thorough TV channels.
Trade by mobile vehicles
Trade by post (2 marks)
- b. Advantages
Successful product delivery
Easy to introduce your products
Easy to get market information
Ability to transfer risks to another party
- Disadvantages
Impact of fraudulent practices by intermediaries.
Increase in prices of products.
Markets may be lost
Impact of non- receipt of money on time.
Possibility to expire & perish of goods.
- (iii) a. * Achieving a more efficient production structure
* To increase the direct foreign investments
* promotion of political relationships
* promotion global financial co-operation and friendship
* To minimise the competition.
- b. 1. The IMF can be introduced as the international organisation that provides financial and technical assistance as well as observes the balance of payment & exchange ratios. Its head office situated at Washington in USA.

2. This is an International organisation founded by 8 main countries in the world. Amalgamated with united states of America, Germany, Japan, Canada, France, Italy Russia and united kingdom.
 3. EDB is operating under the ministry of consumer a trade affairs. functions of this organization are as follous,
 - * Creating an export friendly environment
 - * Work to expand manufacturing professional services in relation to exports.
 - * Helping key suppliers and industry decision makes handle the main issues involved in selecting good or service.
 4. This is operated under the finance ministry and the management is done under supervision of Commissioner of custom. It subunits are maintaining Airports, Harbours, Duty free shopping mall and Sea and Air parcel operations office.
- (iv) a. Obtaining an export license
Reservation of shipping space and preparing the necessary documents
packing the goods
Insuring the batch of goods.
obtaining the bill of lading once the goods have been handed over to the shipping agent
Making necessary arrangement for the receipt of the consideration.
- b. Expansion of foreign trade through e-commerce
Use of electronic payment methods.
Emergence of Trade Zones and agreement.
Conducting trade through trade agreements.
Use of electronic documents
Increasing the influence of interactional organizations
Great orientation towards international norms and rules
- (v) Can be done businesses at any time of the day.
Lower startup costs
Speedy up transactions.
Market, expansion.
Comparatively low prices .
Wide range of choices
Minimization of operating costs
less use of document
Not necessary to maintain stocks