

JUNIOR LYCEUM ANNUAL EXAMINATIONS 2009

Directorate for Quality and Standards in Education
Educational Assessment Unit

FORM 3

BUSINESS STUDIES

TIME: 1h 30 mins

Name: _____

Class: _____

SECTION A: ANSWER ALL QUESTIONS IN THIS SECTION

Tick the correct answer.

Each question carries 2 marks, giving a total of 20 marks for the whole section.

1. **Wants** refer to
 - (a) essential things without which people cannot live.
 - (b) anything that people would like to obtain.
 - (c) only to commodities necessary for survival.

2. A **business organisation** may exist to
 - (a) earn profit, employ workers, be of service to society.
 - (b) provide goods, avoid taxes, provide employment.
 - (c) provide services, satisfy wants, create pollution.

3. **The Human Resources function** is another term for the
 - (a) Production function.
 - (b) Personnel function.
 - (c) Purchasing function.

4. **Decentralisation** is mostly related to
 - (a) an autocratic type of management.
 - (b) a totalitarian type of management.
 - (c) a democratic type of management.

5. The **curriculum vitae** is a
 - (a) summary of qualifications and experiences of a person.
 - (b) short description of a person's achievement at work.
 - (c) detailed report on the content of a person's studies.

6. A **construction firm** is in the
 - (a) primary stage of production.
 - (b) the secondary stage of production.
 - (c) the tertiary stage of production.

7. The **product life cycle** shows the
- (a) level of profit a product can derive for its producing company.
 - (b) period of time that a product remains profitable in the market.
 - (c) stages of a product from its introduction stage until its removal from the market.
8. In **choosing its suppliers** a firm should ascertain that they
- (a) have clear descriptions of products, are reliable and profit maximisers.
 - (b) are stable in their market, have quality materials, supply their competitors.
 - (c) are reliable, stable in their market and able to deliver on time.
9. A **test-run** is
- (a) distribution of the raw materials free of charge to consumers.
 - (b) a trial of the product before it is launched in the market.
 - (c) a type of promotion carried out in a large supermarket.
10. A **centrally planned economy** is an economy in which
- (a) the state controls all production decisions.
 - (b) private firms alone decide what to produce.
 - (c) there are no taxes and no controls.

SECTION B: Answer ALL questions on the foolscaps provided. Each question carries 2 marks. Total marks 20.

1. Mention the **four factors of production**.
2. How does the **government control business organisations**?
3. What is the distinguishing factor of a **mixed economy**?
4. What is the **chain of command**?
5. What is **cyclical unemployment**?
6. What does the abbreviation **JIT** mean?
7. Why is **quality control** important for a business organisation?
8. Mention one important factor that a firm should take into consideration when choosing a **location for its business**.
9. What is the importance of **copyright** for a business organisation?
10. Define **indirect production**.

SECTION C: This section contains two questions of 20 marks each for a total of 40 marks.
ANSWER ALL QUESTIONS IN THIS SECTION on the provided foolscaps.

Question 1

John works on his own as a plumber. He has many clients and does a lot of plumbing work in new houses and repairs and renovations in older houses. Albert is an electrician. Like John he does a lot of installations in new houses and repairs and renovations in inhabited houses and other used premises. John and Peter are thinking of joining forces and form a partnership.

- (a) What type of business organization does John run? (2 marks)
 (b) Mention three (3) advantages that such an organization has. (3 marks)
 (c) Mention three (3) disadvantages that an organization like that of John has. (3 marks)
 (d) What is a partnership? (2 marks)
 (e) Mention three (3) advantages of a partnership. (3 marks)
 (f) Mention three (3) disadvantages of a partnership. (3 marks)
 (g) What is a partnership deed? (2 marks)
 (h) What is a dormant partner? (2 marks)

Question 2

The following is the demand and supply schedule for a tourist excursion:

<i>Price (€)</i>	<i>Quantity Demanded</i>	<i>Quantity Supplied</i>
5	1,000	500
6	900	600
7	800	700
8	700	800
9	600	900
10	500	1,000

- (a) Define: (i) Demand (2 marks)
 (ii) Supply (2 marks)
 (iii) Equilibrium price (2 marks)
 (b) On a graph paper draw the demand and supply curves. Label your diagram fully. (4 marks)
 (c) From the graph find the equilibrium price and equilibrium quantity. (2 marks)
 (d) By how much will demand exceed supply if the price were €9.50? (2 marks)
 (e) By how much will supply exceed demand if the price were €6.50? (2 marks)
 (f) Mention four factors that affect demand. (4 marks)

SECTION D Answer ONE question from this section. Each question carries 20 marks.

1. (a) Define the term **communication**. (2 marks)
- (b) Explain the following types of communication methods, giving an example of each:
- (i) verbal communication
 - (ii) non-verbal communication (4 marks)
- (c) Explain briefly three (3) reasons why communication is used. (6 marks)
- (d) Briefly explain four (4) problems which can cause communication breakdown. (8 marks)

OR

2. (a) What do you understand by the term **commercial bank**? (2 marks)
- (b) Briefly explain one function of a **central bank**? (2 marks)
- (c) Briefly explain the following terms as used in the banking environment:
- (i) bank loan
 - (ii) bank overdraft
 - (iii) direct credit
 - (iv) credit card (8 marks)
- (d) Briefly explain four (4) other services offered by banks to a business organization, other than the ones mentioned in (c) above. (8 marks)

OR

3. (a) What do you understand by the term **production**? (2 marks)
- (b) Define the following terms:
- (i) job production
 - (ii) flow production
 - (iii) batch production. (6 marks)
- (c) What are: (i) progress chasers and (ii) quality controllers? (4 marks)
- (d) Mention four other departments in a firm with which the production department has links? (4 marks)
- (e) Why is it important for the production department to keep links with the other departments you mentioned in your answer to (d) above? (4 marks)