

JUNIOR LYCEUM ANNUAL EXAMINATIONS 2010

Directorate for Quality and Standards in Education

Educational Assessment Unit

StudentBounty.com

FORM 4

BUSINESS STUDIES

TIME: 1h 30min

Name: _____

Class: _____

SECTION A: ANSWER ALL QUESTIONS

Put the letter corresponding to the right answer, in the box provided at the end of each question.

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

1. **The Public Sector** of the economy is mainly concerned with:

- (a) making large profits
- (b) survival
- (c) giving a service

2. The **method chosen to communicate** depends on:

- (a) motivation, body language and cost
- (b) cost, urgency and confidentiality
- (c) internal flow, cost and downward communication

3. A main **business objective is “goodwill”** or the extent to which a business has:

- (a) operated at profit maximisation
- (b) built a good reputation among its customers
- (c) protected the environment

4. A feature of a **free-market economy** is:

- (a) most land and capital are publicly owned
- (b) most education and health services are provided by the state
- (c) people have a variety of products to choose from

5. In an **organisation chart subordinates** are shown:

- (a) under the authority of others of higher rank
- (b) with a large span of control
- (c) when a de-layering process is done to cut down levels of management

6. **Backward vertical integration** can be illustrated by the integration of:

- (a) a fast food kiosk with a stationery
- (b) a firm refining oil with the oil drilling company
- (c) car dealer with another car dealer

7. **Competition law and fair trading** ensure that:

- (a) monopolies dominate the market
- (b) all firms compete fairly
- (c) government pays subsidies to firms

8. The result of **Economies of scale** may be:

- (a) a fall in unit costs as output increases
- (b) a rise of unit costs when output increases
- (c) less efficient production as a result of increased output

9. An advantage of paying employees by the **piece rate** method may be that:

- (a) the rate of pay per week or month does not change
- (b) work is much easier to organise
- (c) workers are encouraged to produce work more quickly

10. A **pressure group** may protest about the **location of a firm** because of the possible:

- (a) need for a raise in the wages of people
- (b) harm it may cause to the environment
- (c) laws that the state may impose

SECTION B: ANSWER ALL THE QUESTIONS IN THIS SECTION.

ALL QUESTIONS ARE TO BE ANSWERED ON THE FOOLSCAPS PROVIDED.
This Section carries a total of 60 marks.

• **Case Study 1**

Examine the two extracts below and then answer the related questions.

❖ Kayun roamed about in the wilderness. He was always on the look out for food and shelter. Sometimes he slept in a cave. At other times he would find shelter under the trees. Food was sometimes scarce too but somehow or other he managed to survive as he is a good hunter of wild rabbits and other animals. Kayun is self-sufficient and he himself provides for all his basic needs.



❖ Majus had some extra animal hides of good quality and was looking for one of his mates Yank who needed hides for his family. When the two friends met, Yank was glad to obtain the surplus of hides but all he could give Majus for the hides were a chicken and bag of maize. Majus did not agree to receive these in payment. For one thing, in his opinion the hides were worth much more than that and anyhow he already had enough poultry and maize. What he needed were tools to work his fields with and to build a new hut for his family.



- Indicate the **type of production** that exists in the system of living of Kayun who is self-sufficient? (2 marks)
- What is **meant** by “**basic needs**” and give **two (2) examples** of such needs. (2 marks)
- Having read the extract on Majus and Yank, **what system of exchange** was adopted at those times? (2 marks)
- This system carried with it a number of **disadvantages**. **Describe two (2)** of these. (4 marks)
- Faced with these disadvantages, man invented some kind of **medium to make exchanges easier**. Write a **short paragraph** indicating:
 - what** this medium was and **examples** of it;
 - two (2) characteristics** of such a medium; and
 - two (2) functions** of this medium. (6 marks)
- To-day’s systems of production are based on the principle of division of labour. Explain **what is meant** by “**division of labour**” and give **an important benefit** of such a system of production. (4 marks)

- Case Study 2

Read the extract presented below and then answer the related questions.

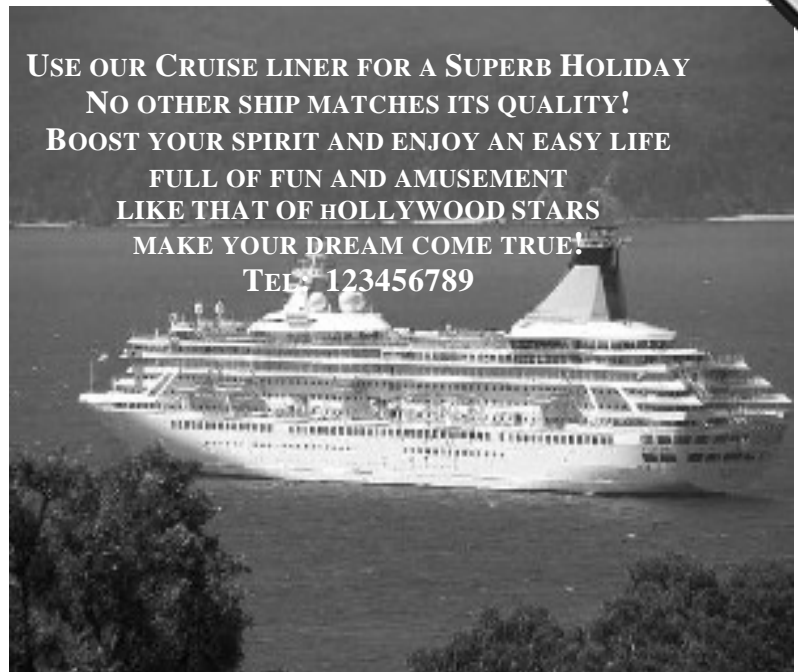
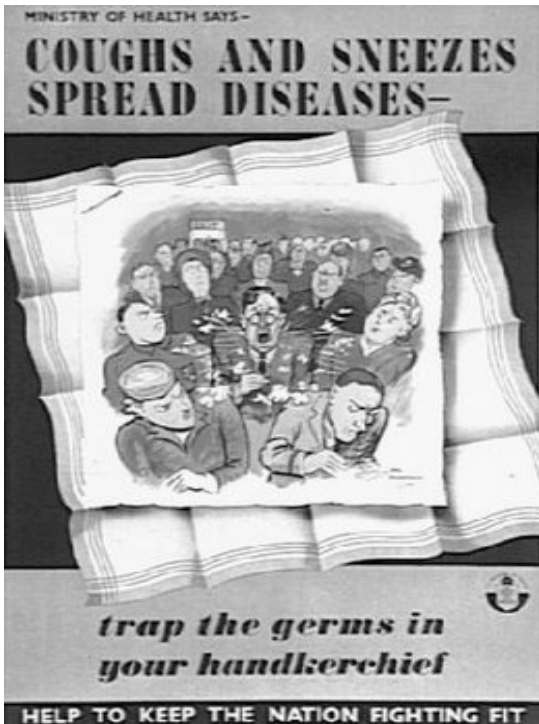
Tracy is a kitchen hand and has been working in the Fast Food Chain business for the last three years. The business was doing very well throughout these years as it operated under a Franchise Agreement. However lately, there were rumours that her employer who owns the Fast Food chain was going to make some of his workers redundant. One day, the undesirable news came. Some of the workers were really angry and one of them proposed to his workmates to conduct a wild cat strike. Tracy was a more cautious person and she advised her friends to seek the advice of their shop steward before taking any action, so that he would coordinate with the union officials and give them appropriate instructions. She hoped that a solution for this industrial dispute would be found soon.



- What does the word “**chain**” in the term “Fast Food Chain” imply? (2 marks)
- It is stated that the business where Tracy works operates under a Franchise Agreement. Write a **short paragraph** explaining the **meaning of such an agreement** pointing out the **parties concerned** and any **payments involved**. (5 marks)
- The writer seems to imply that the fact that the business is operating under a **franchise agreement** makes it **more successful**. Why? (2 marks)
- Redundancy** is one reason for the ending of one’s employment.
 - Define **redundancy**. (1 mark)
 - List **two (2) other reasons for termination of employment**. (2 marks)
- Define the **three (3) underlined terms**. (6 marks)
- Apart from strikes, **name two (2) other restrictive practices** that unions may use to protect the conditions of work of their workers. (2 marks)

• Case Study 3

Examine the two adverts below and then answer the questions beneath the pictures.



- a. Analyse the two adverts above from the point of view of:
 - (i) the **type of advert** each one of them is; (2 marks)
 - (ii) **why** in each case the **advert is of this type**; (2 marks)
 - (iii) **four (4) media** where you could find any of the adverts above; and (2 marks)
 - (iv) whether in **each** case above, **ethical considerations are observed** and **if not why**. (2 marks)

- b. Certain adverts use hidden persuaders to make people buy that particular good or service. **Explain the meaning of “hidden persuaders”** and **give two (2) examples**. (4 marks)

- c. **Does any one of the two adverts above use hidden persuaders?** If yes, **which and how?** (4 marks)

- d. **Advertising** is a task of the **marketing department**. **Describe two (2) other functions** of this department. (4 marks)

SECTION C: CHOOSE ONE (1) OF THE FOLLOWING TOPICS AND ANSWER THE RELATED QUESTIONS ON THE FOOLSCAPS PROVIDED.

Each topic carries a total of 20 marks.

1. The Sole trader business is perhaps the smallest business and in contrast, the multinational is a large scale business. Yet they can both exist within an economy.

- a. Describe the sole trade business and point out its advantages/disadvantages. (8 marks)
- b. Describe how a multinational company is formed; give some examples of multinationals and explain why it may be beneficial for a country to have a multinational operating within its economy. (8 marks)
- c. Why does a sole trader still survive in an economy? (4 marks)

OR

2. Visible and Invisible Trade are the basis of international trade and are so important for a country.

- a. Describe with examples “visible” and “invisible” trade. (4 marks)
- b. What is the relationship between the above and Balance of Trade; Invisible Balance and Balance of Payments? (6 marks)
- c. Why is international trade important for a country like Malta? Describe three (3) reasons. (6 marks)
- d. However, international trade can present some problems to the exporter. Mention four (4) of these problems. (4 marks)

OR

3. For a business to operate, a good amount of finance is needed. The sources of finance vary, depending on whether the business is in the private or public sector.

- a. Why would a business need finance? (2 marks)
- b. Describe three (3) sources of finance for the public sector. (6 marks)
- c. Apart from personal savings and loans, describe three (3) sources of finance for the private sector. (6marks)
- d. In brief describe two (2) organisations that can provide finance for the private sector, indicating how they provide the money needed. (6 marks)