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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
 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, 2023(2024)
 கல்விப் பொதுத் தராதரப் பத்திர (உயர் தர)ப் பரீட்சை, 2023 (2024)
 General Certificate of Education (Adv. Level) Examination, 2023(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. Following are some examples for needs and wants.

- | | |
|-----------------|-------------------|
| A – Health | B – Shelters |
| C – Clothings | D – Laptops |
| E – Soft drinks | F – Mobile phones |
| G – Story books | H – Food |

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

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

2. From the following, select the option that correctly states an attribute of a service.

- | | | |
|-----------------|------------------|----------------|
| (1) Tangible | (2) Transferable | (3) Returnable |
| (4) Inseparable | (5) Imperishable | (.....) |

3. Service sector in the Gross Domestic Product (GDP) is represented through

- | | | |
|-----------------------|----------------------|---------------------|
| (1) public sector. | (2) private sector. | (3) primary sector. |
| (4) secondary sector. | (5) tertiary sector. | (.....) |

4. Following are some issues prevalent in the world.

- | | |
|-----------------------|--------------------------|
| A – Deforestation | B – Obesity |
| C – Income inequality | D – Air pollution |
| E – Brain drain | F – Loss of biodiversity |
| G – Unemployment | H – Soil erosion |

From the above, what is the option that only includes socio-economic issues?

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

5. Select the option which does **not** indicate an objective of the Consumer Affairs Authority in Sri Lanka, Act No. 9 of 2003.

- (1) Protecting consumers against the marketing of hazardous goods.
- (2) Protecting consumers against unfair trade practices.
- (3) Ensuring wide availability of goods and services for consumers.
- (4) Redressing consumers against unfair trade practices.
- (5) Offering an access to consumers to obtain goods and services at a competitive price. (.....)

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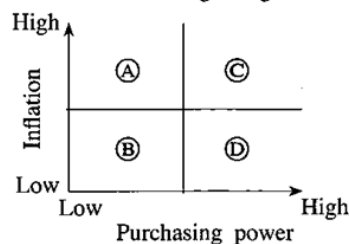
6. The following table shows some stakeholders and their involvement in business.

Stakeholders	Involvement
(i) Shareholders	A - Selecting board of directors
(ii) Consumers	B - Formulating strategies
(iii) Suppliers	C - Engaging in operational activities
(iv) Managers	D - Negotiating trade conditions
(v) Employees	E - Responding to product quality

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

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

7. Answer the following question based on the diagram given below.



What is/are the letter/s that correctly depicts the link between purchasing power and inflation for a convenience good on the diagram?

- (1) Ⓐ only (2) ⓓ only (3) Ⓐ and ⓓ only
(4) Ⓑ and ⓒ only (5) ⓒ and ⓓ only
- (.....)

8. Following are some of the goals of governments and businesses:

- | | |
|-----------------------------------|-------------------------------------|
| A – Promoting work-life quality | B – Promoting industrialization |
| C – Creating products | D – Redistributing income |
| E – Maintaining full employment | F – Stabilizing prices |
| G – Promoting employee engagement | H – Practicing corporate governance |

From the above, what is the option that contains only government goals?

- [illegible]

9. In a partnership, limited partners are recognized by

- (1) limited liability.
- (2) involvement in management.
- (3) non-involvement in management.
- (4) limited liability and involvement in management.
- (5) limited liability and non-involvement in management. (.....)

10. Following are two statements about documents used in incorporating a company.

Statement A : Articles of Association shows details of the issue of shares, power and duties of directors etc.

Statement B : Certificate of incorporation shows details of the shareholders' voting rights and rules and regulations etc.

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**. (.....)

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11. Following are steps of the entrepreneurial process.

- | | |
|-------------------|-------------------------------|
| A – Actualization | B – Discovery |
| C – Harvesting | D – Preparing a business plan |
| E – Resourcing | |

What is the option that indicates the correct order of the above entrepreneurial process?

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

12. A medium of exchange, which does **not** require a third party involvement would be

- | | | |
|-------------|--------------------|-------------------|
| (1) cash. | (2) cheques. | (3) credit cards. |
| (4) e-Cash. | (5) prepaid cards. | (.....) |

13. Select the correct statement pertaining to a bearer cheque.

- | | |
|--|---------|
| (1) A torn or a damaged cheque. | (.....) |
| (2) Signed without stating the amount. | |
| (3) Invalidity due to expiry. | |
| (4) Encashed or deposited by anyone who presents it to a bank. | |
| (5) Encashed or deposited only by the payee named on the cheque. | (.....) |

14. The purpose of obtaining a motor vehicle insurance by an organization would be to

- | | | |
|--------------------|-----------------|--------------------|
| (1) minimize risk. | (2) avoid risk. | (3) transfer risk. |
| (4) bear risk. | (5) hold risk. | (.....) |

15. Which of the following international body specifically focuses on securing financial stability among the member countries?

- | | |
|--|---------|
| (1) World Trade Organization (WTO) | |
| (2) International Monetary Fund (IMF) | |
| (3) International Labour Organization (ILO) | |
| (4) Association of South East Asian Nations (ASEAN) | |
| (5) Bay of Bengal Initiative for Multi Sectoral Technical and Economic Cooperation (BIMSTEC) | (.....) |

16. Following are some communication mediums.

- | | |
|------------------------|------------------------|
| A – letter | B – notice |
| C – telephone | D – one-on-one meeting |
| E – video conferencing | F – AI chatbot |
| G – memo | H – fax |

From the above, what is the option that contains only quick feedback mediums?

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

17. Executing a plan in a right manner ensures

- | | | |
|---------------------|--------------------|-------------------|
| (1) effectiveness. | (2) profitability. | (3) productivity. |
| (4) sustainability. | (5) efficiency. | (.....) |

18. From the following, which leadership style adapts to a context in making decisions?

- | | | |
|-------------------|-------------------|-----------------|
| (1) Democratic | (2) Autocratic | (3) Situational |
| (4) Laissez-faire | (5) Task oriented | (.....) |

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19. Following are two statements developed on Micro, Small, and Medium Enterprises (MSME) based on Central Bank report of Sri Lanka 2021.

Statement A : Micro, Small and Medium Enterprises (MSME) in Sri Lanka contribute more than 50% to the economy.

Statement B : Contribution of Micro, small and Medium Enterprises (MSME) in Sri Lanka is comparatively high when compared to developed countries.

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**. (.....)

20. Select the answer that correctly states the relationship between organizational structure and span of control.

	Organizational structure	Span of control
(1)	tall	wider
(2)	tall	narrower
(3)	tall	unchanged
(4)	flat	unchanged
(5)	flat	narrower

(.....)

21. Which service is **not** offered by online banking?

- (1) Opening an account (2) Paying bills (3) Transferring funds
 (4) Withdrawing cash (5) Checking account balances (.....)

22. If a company's acid test ratio is 0.5 and the current ratio is 1.7, a majority of the current assets contain

- (1) cash in hand. (2) pre paid expenses. (3) debtors.
 (4) bank balance. (5) inventory. (.....)

23. The following table shows some of the consumer related terms and descriptions pertaining to them.

Terms	Descriptions
(i) Satisfaction	A - Total evaluation of a product
(ii) Loyalty	B - Goods and services
(iii) Value	C - Fulfilling emotional needs
(iv) Offerings	D - Meeting or surpassing expectations
(v) Care	E - Willingness to repurchase

What is the option that correctly matches the description in the order of terms given above?

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

24. The following are some of the characteristics of advertising and publicity.

- A - One-way communication B - Non-personal
 C - High cost D - Specific sponsor
 E - Mass audience F - Controllable

From the above, what is the option which contains only the characteristics of advertising?

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

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25. Select the correct statement relating to the gearing ratio.

- (1) Ability to detect solvency
- (2) Ability to measure operational efficiency
- (3) Ability to cover short-term expenses
- (4) Ability to recognize financial risk
- (5) Ability to predict earnings per share (.....)

26. From the following intermediaries, the party that involves in the process of transactions with the ownership of the products is

- (1) Commission agent. (2) Wholesaler. (3) Broker.
- (4) Factor. (5) Auctioneer. (.....)

27. The following table shows some selection tests of employees and their purposes.

Selection Test	Purpose
(i) Physical ability	A - To measure the ability to work under stress
(ii) Intelligence Quotient (IQ)	B - To measure a person's ability to face challenges
(iii) Personality	C - To measure strength and endurance
(iv) Background	D - To measure the ability to perform a specific task
(v) Practical	E - To verify information through formal records

What is the option that correctly matches the purpose, according to the order of the selection tests given above?

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

28. Employee development programs should focus on

- (1) providing right knowledge and skills to perform a job.
- (2) reducing skill gap of the present job.
- (3) promoting a learning culture in an organization.
- (4) facilitating the use of current technology in the organization.
- (5) nurturing to take on responsibilities in the future. (.....)

29. A Sri Lankan can obtain one's own overall credit report from the

- (1) Central Bank of Sri Lanka.
- (2) Department of Debt Conciliation Board.
- (3) Sri Lanka Export Credit Insurance Corporation.
- (4) Credit Information Bureau of Sri Lanka.
- (5) Department of Government Information. (.....)

30. The following table shows some information systems and applications relating to them.

Information systems	Applications
(i) Transaction Processing Systems	A - Business modelling
(ii) Office Automation Systems	B - Customer relationship management
(iii) Knowledge Work Systems	C - Managing inventory
(iv) Management Information Systems	D - Business forecasting
(v) Executive Support Systems	E - Email communication

What is the option that correctly matches the applications, according to the order of the information systems given above?

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

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

31. (a) Sustainable development of a country integrates, social and aspects.
 (b) An institution obeying to rules and regulations of a country refers to responsibility whereas, taking actions towards the best interest of the community by an institution refers to responsibility.
32. (a) The statutory requirement is the proportion of deposit liabilities that licensed commercial banks should maintain as a deposit with the Central Bank.
 (b) Sri Lankan Government legislation sets out the policy while the Central Bank sets out the policy of Sri Lanka.
33. (a) The overarching aspiration of a business is reflected through a statement whereas the reason for a business's existence is reflected through a statement.
 (b) Checking the machines of a manufacturing firm before use denotes control whereas quality control in a manufacturing process denotes control.
34. (a) Facial expression is an example for communication and face-to-face dialogue is an example for communication.
 (b) Intranets are primarily designed for an institution's data communication purposes whereas extranets are designed to extend network access to specific parties.
35. (a) ABC analysis is used for management whereas analysis is used to determine the point at which total cost and total revenue are equal.
 (b) Product concept is oriented towards where as concept is oriented towards customer.
36. (a) The place where individuals purchase goods for their personal use is called as market whereas, the place where B2B transactions occur is called as market.
 (b) An exclusive right granted to novel inventors to manufacture, use and sell an invention is a whereas a is a unique symbol or word that denotes a specific product.
37. (a) The route map of a business is represented through a/an plan and its essence is provided through a/an summary.
 (b) A manager's ability to communicate, team work and lead denote skills while the ability to use tools and methods denote skills.
38. (a) The probability of an ordinary shareholder losing money is known as whereas, the profit allocated by the company for his share investment is called as
 (b) Conversion of two companies into a single entity is named as whereas one company being purchased by another company is named as

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39. (a) Outsourcing of e-commerce services by a company is called as party logistics whereas returning goods from a customer back to a seller is called as logistics.
- (b) In a cashflow statement, purchasing of non-current assets is an example for activities while issuing ordinary shares is an example for activities.
40. (a) Volume, velocity and variety are the key attributes of and navigation system that provides business location is called as positioning system.
- (b) Arranging workstations according to the sequence of production is called as layout whereas, workstations not arranged according to the sequence of production is called as layout.

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

41. Write **four** characteristics of social entrepreneurship.

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

42. State **four** methods a business can use to enter into international markets.

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

43. State **four** main factors to be considered in preparing a business plan.

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

44. Write the **four** levels of a product according to Phillip Kotler's Consumer Value Hierarchy.

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

45. Write **four** benefits of Economic Order Quantity (EOQ).

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

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46. Write the correct number of the International Organization for Standardization (ISO) against each of the management systems given below.

- (1) Quality : ISO
- (2) Environment : ISO
- (3) Food safety : ISO
- (4) Occupational health and safety : ISO

47. State **four** benefits an investor can gain by investing in ordinary shares.

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

48. Write the correct name of the document used for international trade at each of the following instances.

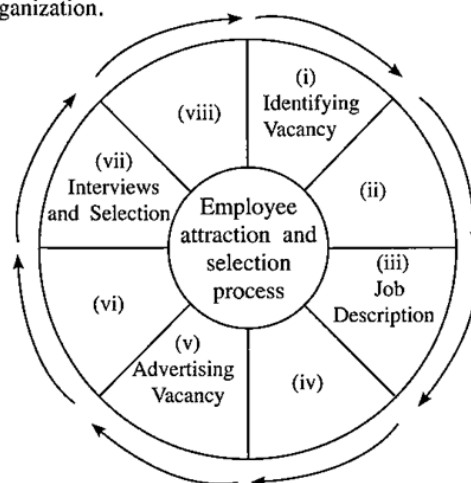
Instance	Document
(1) Certify imported fresh fruits are free of pests.	
(2) A bank guarantee that ensures the importer's payment to the exporter.	
(3) A preliminary quotation sent to an importer before the sale is confirmed.	
(4) Certify the country in which an exported commodity is manufactured.	

49. Name the components of a computerized information system each of the following items belong to:

- (1) Optical Mouse :
- (2) Software Engineer :
- (3) MS office :
- (4) Microchip :

50. State the steps indicated by (ii), (iv), (vi) and (viii), in the following diagram that relates to the employee attraction and selection process of an organization.

- (1) (ii) -
- (2) (iv) -
- (3) (vi) -
- (4) (viii) -



* * *

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 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, 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 පි
 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)

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- (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)

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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)

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- (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)

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