

KULLEĠĠ SAN BENEDITTU Boys' Secondary, Kirkop

Mark

HALF-YEARLY EXAMINATION – 2011/12

Track 3 (JL)



FORM 3

BUSINESS STUDIES

TIME: 1h 30min

Section	A	B	C	D	Global Mark
Mark					
Max. Mark	20	20	20	40	100

DO NOT WRITE ABOVE THIS LINE

Name: _____

Class: _____

SECTION A (20 marks)

Answer all questions in this section by circling the correct answer. Each question carries 2 marks.

1. The following are examples of capital:

- (a) motor vehicles, office computer, office buildings
- (b) manual tools, a pair of trainers, banana plantation
- (c) ambulance, TV set at home, personal watch

2. In a co-operative

- (a) there is the principle of one person having one vote.
- (b) voting power is according to the number of shares held.
- (c) all profits are retained by the co-operative itself.

3. The following form part of the public sector of the Maltese economy:
- (a) the Police Corp, the Maritime Authority, Go plc
 - (b) Simonds Farsons Cisk plc, HSBC (Malta) plc, Bank of Valletta plc
 - (c) Enemalta Corporation, Water Services Corporation, Armed Forces
4. Which of the following are factors of production?
- (a) supply, demand and profit
 - (b) Franchise, Co-operatives and Partnerships
 - (c) labour and Capital
5. Which of the following form part of the primary stage of production?
- (a) farming, fishing, woodcutting
 - (b) mining, oil drilling, oil refining
 - (c) wood processing, carpentry, cement production
6. Which of the following can be considered as aims of business activity?
- (a) political reasons, provision of goods, payment of taxes
 - (b) providing services, damaging the environment, exploiting workers
 - (c) profits for the owner, satisfaction of people's wants, social reasons
7. The term span of control means
- (a) how authority falls from top to bottom.
 - (b) the way that work is delegated to other persons.
 - (c) the limit to how many people someone can control.
8. What are consumer goods:
- (a) a group of laws set up to protect customers from unfair trading methods
 - (b) goods and services produced for use by consumers
 - (c) the final user of a product
9. By means of the process of Division of Labour, production:
- (a) is of better quality and unique
 - (b) increases at reduced cost per unit
 - (c) becomes less automated

10. The personnel function of a business is responsible for:

- (a) matters related to finance
- (b) the recruitment, selection, training and welfare of employees
- (c) the delivery of goods to the customers on time

SECTION B: Fill in with the appropriate words (20 marks -1 mark for each answer)

Use the following words to fill in the spaces in the following passage: (12 marks)

Tall clear equal flat subordinates short long
management quite narrow many responsibility People

A _____ organisation is one in which there is a _____ chain of command. Decisions pass through several levels of _____. The span of control in a tall organisation chart is usually _____. This management structure is a hierarchy with several _____ levels of responsibility. _____ on the same level of the chart have _____ responsibility and each is directly responsible for their _____ – the people immediately below them.

A flat organisation has a _____ chain of command – decisions do not have to pass through _____ levels of management. In a _____ organisation, the span of control is usually quite wide. People in lower levels tend to be given more _____. Managers need to be confident in their staff, and happy to delegate work to subordinates.

Use the following words to fill in the spaces in the following passage: (8 marks)

Bankrupt small partnerships unlimited
unincorporated medium disadvantage sole

The _____ form of business ownership is very popular in Malta. There are a very large number of _____ and _____ sized businesses which are operating as _____ proprietors and _____.

One of the reasons for this is the ease with which these types of business ownership can be set up. However, a major _____ is _____ liability where the owners of the business are responsible for the debts of the business should it become _____.

<u>SECTION C (20 marks -2 marks for each answer)</u>

Answer the following questions:

1. What is specialisation?

2. Explain the difference between durable consumer goods and non-durable consumer goods.

3. A job description outlines the tasks to be done in that job. Give three examples of details which may be included.

4. Capital takes two basic forms known as:

_1. _____ 2. _____

5. There are four elements to communication being

_1. _____ 2. _____

_3. _____ 4. _____

6. What is formal communication?

7. Name two advantages brought about by the introduction of information technology in the daily running of business today.

8. What social costs are created by a business organisation?

9. What is a co-operative?

10. What is demography?

Section D: Answer all questions. (40 marks)

Question 1:

Gerald Marsh and his wife are concerned about their farm's future as a partnership and are thinking of forming a private limited company.

(a) What are the main features of a business partnership?

(4marks)

(b) What are the advantages to the members of a partnership if the business is converted into a private limited company?

(4marks)

(c) What is the difference between a public limited company (plc) and a private limited company (ltd.)

(2marks)

(d) Mention two important documents a company has to prepare on applying to become a limited liability company. Briefly explain what each of these documents contains .

(6marks)

(e) What is a certificate of incorporation and who issues it?

(2marks)

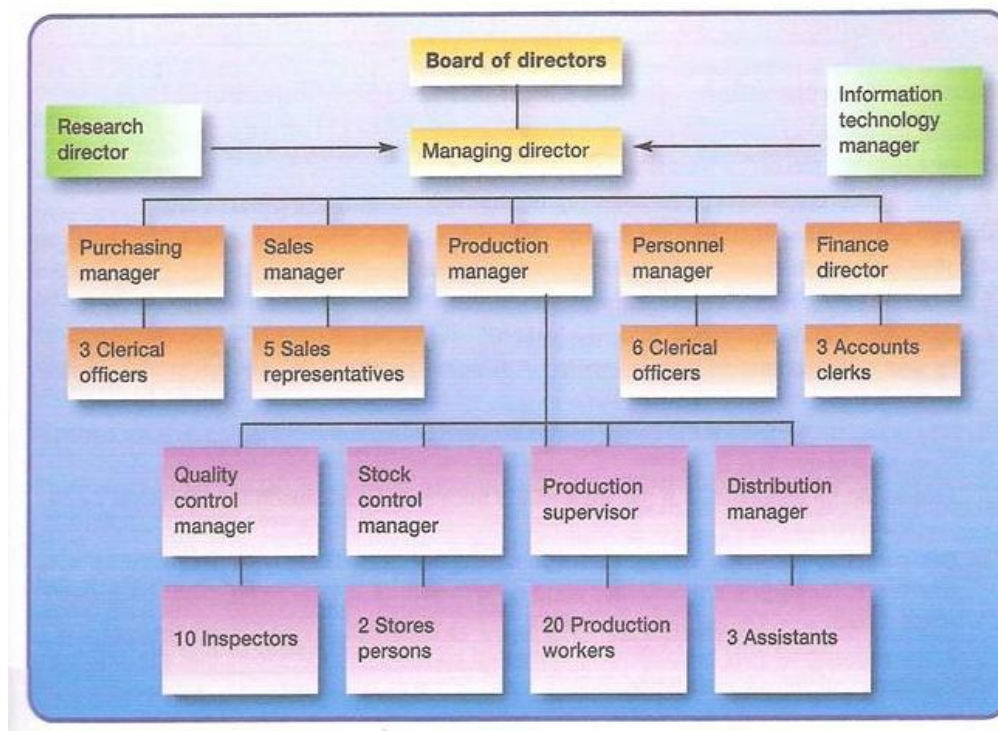
(f) What is a trading certificate and to which type of company is it issued?

(3marks)

(g) Explain two methods that a public limited company (plc) might use to communicate information to its shareholders.

(4marks)

Question 2: Griffin Engineering Ltd. Organization chart



Answer the following questions based on the organization chart of Griffin Eng. Ltd.

1. Who is at the top of the hierarchy?

_____ (1 mark)

2. Who is the line manager of the sales representative?

_____ (1 mark)

3. Who are the subordinates of the finance director?

_____ (1 mark)

4. What is the span of control of the production manager?

_____ (2 marks)

5. Give another name for the personnel manager.

_____ (1 mark)

6. What does the personnel department deals with.

_____ (5marks)

6. To whom would the production manager delegate responsibility for the stocks of raw materials?

_____ (1 mark)

7. Who would be involved in the line of communication between the managing director and the stock control manager?

_____ (2marks)

8. Who would be accountable if the sales of the business did not reach the target set by the managing director?

_____ (1mark)