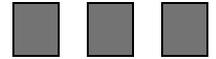


KULLEĠĠ SAN BENEDITTU Boys' Secondary, Kirkop

Mark

HALF-YEARLY EXAMINATION – 2013/14

Track 3 (JL)



FORM 4	BUSINESS STUDIES					TIME: 1h 30min
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Section	1	2	3	4	5	6	Global Mark
Max. Mark	10	20	20	20	20	10	
Mark							

DO NOT WRITE ABOVE THIS LINE

Name: _____

Class: _____

Section A (10 marks)

Underline the correct answer:

- An example of **capital good** is
 - a lap top used by you to help you in your studies
 - a truck owned by a construction firm
 - a heater used in home by your family
- Consumer goods** include
 - a television set in your home's living room
 - a computer used in an accounting firm's office
 - car repairs
- An example of **direct production** is
 - a man working as a carpenter in a furniture factory
 - a worker spraying cars in a sprayers' garage
 - a fisherman catching fish using his own boat for his family
- Transporting** of goods form part of
 - Primary Sector
 - Secondary Sector
 - Tertiary Sector
- Another name for the terms **specialization** or **division of labour** is
 - Indirect Production
 - Direct Production
 - Factors of Production

6. **Delegation means**
 - (a) refusing responsibility for a particular task
 - (b) passing responsibility to someone else in a lower rank
 - (c) passing responsibility to someone else in a higher rank

7. A **firm** is an organization that
 - (a) only provides durable and tangible goods
 - (b) its only aim is to make the most possible profit
 - (c) provides goods and services to satisfy consumers' needs and wants

8. A **want** refers to anything that
 - (a) consumers should always have
 - (b) people would like to have
 - (c) is essential for our living

9. The term '**scarcity**' in Business Studies means:
 - (a) lack of enough resources to satisfy all people's wants
 - (b) not enough money to buy all the things we want
 - (c) the shortage of a product throughout certain periods during the year

10. **Business** is any activity which involves
 - (a) the earning of money
 - (b) the providing of goods and services to satisfy consumers' wants
 - (c) people becoming rich by selling goods at higher price than their cost price

SECTION B (20 marks)

ALL QUESTIONS ARE TO BE ANSWERED ON THE FOOLSCAPS PROVIDED
Remember to write down your name and class on each foolscap.
You are also required to write down the section AND the number of each question besides your answer. Do NOT copy the questions given.

Answer all questions in this section. (SHORT ANSWERS ARE REQUIRED) (2 marks for each answer)
Explain briefly but clearly the difference between:
 (You can give suitable examples to illustrate your answer)

1. Wants & Needs
2. Durable Goods & Non-Durable Goods
3. Unlimited Wants & Limited Income
4. Scale of Preferences & Opportunity Cost
5. Direct Production & Indirect Production
6. Demand & Supply
7. The Stages of Production

8. Fixed Capital & Liquid Capital
9. Commerce & Direct Services
10. Working Population & Ageing Population

SECTION C

CASE STUDY 1 (20 marks)

Analyse the following and then answer the questions laid down thereafter:

All people have three basic needs: food, shelter and clothing and much of the activity that we engage in is intended and designed to satisfy these three basic needs. It is essential for very society to produce the goods and services demanded by its consumers. To do this, it will use resources. The resources which are required to produce goods and services are referred to as “The Factors of Production”.

1. List the three main Factors of Production (3 marks)
2. Why the Entrepreneur is considered to be the 4th Factor of Production? (2 marks)

One of the main problems that any society faces is that it cannot satisfy all the wants of its citizens! These wants are unlimited and yet there are limited resources available to the society to provide the various goods and services needed for the whole community! This imposes the problem of Scarcity and implies that society has to make a series of choices.

3. Briefly explain the following terms:
 - (i) Scale of Preferences
 - (ii) Opportunity Cost (2 marks)
4. The Goods and Services produced to satisfy people’s needs and wants pass through three distinct stages. Write down the three stages of production (3 marks)

Early people were mostly farmers and lived in isolated communities. These people grew or made everything they needed for themselves. As time passed by, however, people began to specialize, that is, they began to make or grow just few types of things and producing more of it than they needed. In other words people at that time began to exchange their surplus with the surplus of others. This process of swapping is called barter.

5. Explain Bartering and write down two drawbacks associated with it (2 marks)
6. The shortcomings of bartering system were overcome by the development of money. Concisely explain what is money? (2 marks)
7. List four qualities or characteristics of money (2 marks)
8. The development of money led to specialization. Explain, by giving a suitable example the difference between “specialisation by product” and “specialisation by process”. (2 marks)

9. Write down two advantages and two disadvantages associated with specialisation or division of labour. (2 marks)

SECTION D CASE STUDY 2 (20 marks)

Any Entrepreneur starting a business has a number of goals that he or she wants to achieve. These are called objectives.

Business Objectives ...



1. Write down the three **main objectives** of any type of business. (2 marks)
2. List the three main reasons **WHY firms grow**. (3 marks)
3. Firms can grow either internally or externally. What is the difference between these two methods of growth? (2 marks)
4. Clearly but concisely distinguish between a **merger** and a **takeover**. (2 marks)



5. By giving suitable examples explain the following types of **integration**:
 - (i) Horizontal Integration
 - (ii) Vertical Integration Forward
 - (iii) Vertical Integration Backward
 - (iv) Lateral Integration(4 marks)
6. Explain the meaning and significance of **diversification** in business. (2 marks)
7. What is the difference between a **monopoly** and an **oligopoly**? (2 marks)

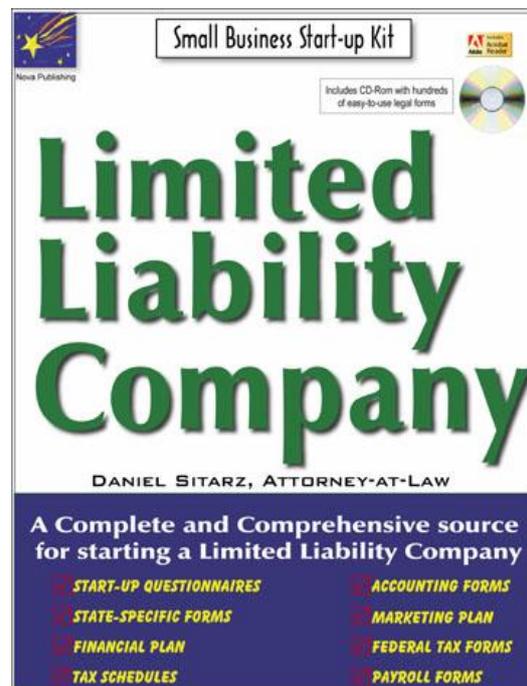
As a result of growth, businesses today are looking to sell their products all over the world, rather than in their own country and improved worldwide communications have made it easier to develop globalisation. In turn, this had led to an increase in both the number and the size of multinational companies.

8. What do you understand by each of the three (3) underlined terms? (3 marks)

SECTION E CASE STUDY 3 (20 marks)

Malta, like most other European countries, is said to have a 'mixed' economy because it consists of both 'Private Enterprise' and 'Public Enterprise'. In other words a 'mixed' economy is a combination of the 'free-market' economy' and the 'planned or controlled' economy.

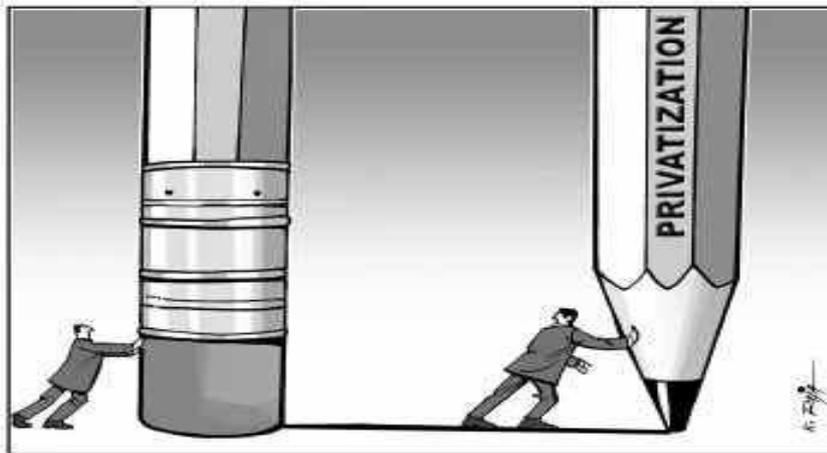
1. List the two main differences between the 'Public Sector' and the 'Private Sector' that prevail in a mixed economy. (4 marks)
2. List the main characteristics that distinguish a 'free-market' economy from a 'planned or controlled' economy. (2 marks)



3. What is the main difference between a "Private Limited Company" (ltd) and a "Public Limited Company" (plc)? (2 marks)
4. Explain the following terms in relation with "Limited Liability Companies":
 - (i) Annual General Meeting (AGM)
 - (ii) Registrar of Companies
 - (iii) Memorandum of Association
 - (iv) Articles of Association(4 marks)



5. Franchising is considered as one of the fastest growing sectors of the economy as it offers the opportunity for success to those who have the capital and are willing to work hard. How much do you agree with this statement? (2 marks)
6. What is the difference between Nationalisation and Privatisation? (2 marks)



7. List one advantage and one disadvantage associated with Privatisation. (2 marks)
8. Write one argument in favour and one against Nationalisation. (2 marks)

SECTION F (10 marks)

Write 2 short paragraphs (of about 5 lines each) to explain TWO of the following:

- (i) Internal Structure and Span of Control
(Can include advantages & disadvantages of both wide and narrow span of control)
- (ii) The Location of Industry
(Need to discuss the factors affecting the location of production in one place and not another depending on the type of production.)
- (iii) Stakeholders' Objectives and Business Ethics
- (iv) The Importance of Marketing for business organisations
- (v) Economies & Diseconomies of Scale