

KULLEĠĠ SAN BENEDITTU

Boys' Secondary, Kirkop

Mark

HALF-YEARLY EXAMINATION – 2013/14

One Graded Paper

FORM 3	BUSINESS STUDIES	TIME: 1h 30min
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Section	1	2	3	4	5	Global Mark
Max. Mark	25	10	30	20	15	
Mark						

DO NOT WRITE ABOVE THIS LINE

Name: _____

Class: _____

Section 1

(Total 25 marks)

Answer all questions in this section:

1. Match the following phrases together by putting the corresponding number besides each correct phrase. (10)

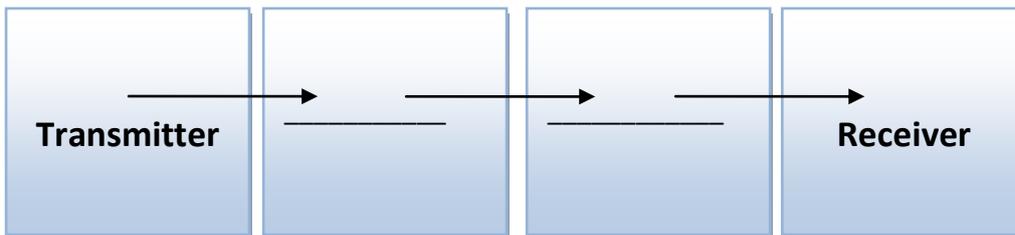
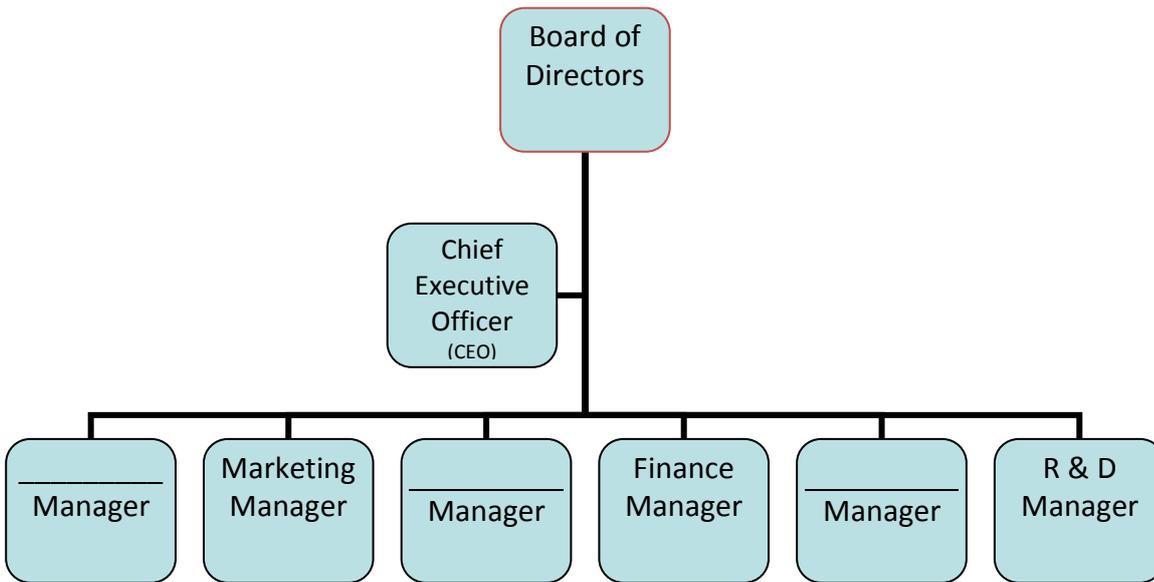
The first one has been done for you as an example.

Eg. *Economic Problem = Limited Amount of Resources*

1	Economic Problem		Physical objects
2	wants		Last for a long period of time
3	needs		Cannot do without
4	goods		Single use
5	services		Cannot be given to others
6	Durable Goods		Paid weekly
7	Liquid Capital		Set by government to control business
8	Salaries	1	Limited amount of resources
9	Perishable		Can do without
10	Laws		Paid Monthly
11	Wages		Money needed to start business

2. Complete the following diagrams:

(5)



3. Fill in the blanks with the appropriate words from the list

(10)

money	body	delegation	feedback	organisation
verbal	written	span of control	distortion	finished

- The limit to how many people someone can control is called _____ .
- Passing on work and responsibility to others is referred to as _____ .
- An important element in communication is the response of the receiver to the transmitter. This is called _____ .
- Firms will often show how they are structured by using simple diagrams called _____ charts.
- The Finance Department looks after the _____ of the business.
- Facial expressions and postures are two ways of _____ language.

7. A report and a notice are two examples of _____ communication.
8. _____ in communication can arise due to emotional, social geographical or technical reasons.
9. _____ communication may occur during an interview, a meeting or in a TV or Radio broadcast.
10. Production is about transforming raw materials into a _____ product.

Section 2

(Total 10 marks)

Read the statements below and underline the most suitable answer.

1. Limited Liability means that:
 - (a) A business cannot make loss
 - (b) A firm is either a public or a private company
 - (c) Shareholders cannot be asked to pay for a company's debts
2. The most important feature of a mixed economy is that
 - (a) Goods and services are provided by both the public and private sectors
 - (b) Each firm produces a mixture of goods and services
 - (c) There is government control of the production of goods and services
3. Which best describes a consumer good?
 - (a) A TV set in a bar
 - (b) An office Computer
 - (c) The TV in your home's living room
4. An example of Fixed Capital is:
 - (a) Money held at bank
 - (b) Raw material used for production
 - (c) Crane used by a construction firm
5. Those who invest money in a company are called:
 - (a) Stakeholders
 - (b) Employees
 - (c) Shareholders
6. Banking is an example of:
 - (a) Primary stage of Production
 - (b) Secondary Stage of Production
 - (c) Tertiary Stage of Production
7. Consumers are people who:
 - (a) Buy goods and services for their own use
 - (b) Make a product
 - (c) Buy goods and sell them to the public
8. Business is any activity which involves:
 - (a) The earning of money
 - (b) The providing of goods and services
 - (c) The payments of wages and salaries to earn a living

9. Workers who have had a good deal of training and qualifications relating to do their job are referred to as:
- (a) Skilled workers
 - (b) Semi-skilled workers
 - (c) Unskilled workers
10. The things that we give up are known as:
- (a) Barter
 - (b) Scarcity
 - (c) Opportunity Cost

Section 3

(Total 30 marks)

Case Study ONE:

Read the passage below and answer the following questions.

Julio Star is the sole owner of a local grocery store. Many of his relatives and friends encouraged him to obtain additional money and consider turning his business into a partnership or form a private limited company.



1. What type of business organisation does Julio have? _____ (1)
2. Is Julio producing a good or providing a service? _____ (1)
3. In which **stage of production** does Julio's business form part of? _____ (2)
4. What are Capital Goods? Give two examples of such goods which Julio makes use of in is grocery. _____ (3)
5. List two advantages and two disadvantages associated with this kind of business.

(4)

6. Briefly explain the following terms in relation with partnerships:

(i) Active Partner _____ (1)

(ii) Sleeping or Dormant Partner _____ (1)

(iii) Partnership Deed _____ (1)

7. What do the letters LTD and PLC stand for:

LTD: _____ (1) PLC: _____ (1)

8. What is the main difference between a **ltd** and a **plc**? _____ (2)

9. What is the main difference between a Private Limited company and Public Limited Company?

_____ (2)



10. Malta is said to have a mixed economy. Why it is said so? _____ (2)

11. What are the two main differences between the “private sector” and the “public sector”?

(2)

12. List the three types of business organisations that fall under the “Public Sector”. (3)

i	
ii	
iii	

13. Briefly explain the term “Public-Private Partnership (PPP).

You can give a local example to illustrate your answer.

(3)

Section 4

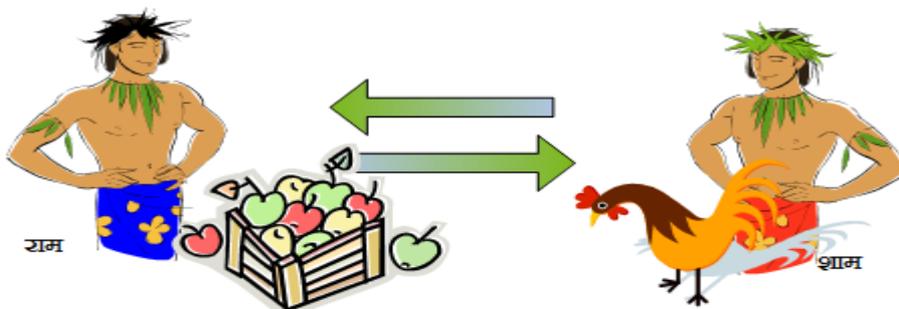
(Total 20 marks)

Case Study TWO:

Read the passage below and answer the following questions.



Early man led a simple way of life. He would provide all of his needs himself without the aid of others. He would hunt and gather his living from the fields and the sea. At that time, man was living in a subsistence economy.



As time passed, man began to farm in very basic way, keeping animals and planting seeds. This enabled him to settle on one place, build a permanent home and starting improving his way of life. One of the improvements was that he found he was producing more goods than he needed and began to exchange his surplus with the surplus of others. This process is known as barter.

1. Briefly but clearly explain what is bartering.

_____ (2)

2. List the four main drawbacks associated with this type of production. (4)

i	
ii	
iii	
iv	

The four drawback of bartering mentioned above were overcome by the development of money since the use of money solves all the above problems associated with bartering.



3. Give a brief definition of money.

_____ (1)

4. List four characteristics (or qualities) of money. (4)

i	
ii	
iii	
iv	

5. In modern world money is said to be “a medium of exchange”. Clearly explain what you understand by this term.

_____ (2)

6. Money has three other functions. List TWO of them. (2)

i	
ii	

7. Give another term for “indirect production”.
_____ (1)

8. Fill in the blanks by choosing the appropriate phrase from the box below. (2)

Specialisation by Process	Specialisation by Product
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- (i) _____ refers to when a worker specialises in doing one particular job or service. Examples include a carpenter, a builder a lawyer or a tax consultant.
- (ii) _____ involves the breaking up of a job into separate parts. Each part is carried out by someone who specialises in that occupation.

9. Explain the following terms:

(i) Chain of Production: _____
_____ (1)

(ii) Interdependence of Industry: _____
_____ (1)

Section 5

(Total 15 marks)

Choose one of the following and on the foolscap provided write about 100 words about the following:

1. The importance of Communication for any type of business organisation.
(Explain the meaning of communication, the four basic elements of communication and can mention the different types of communication. Can also make reference to problems encountered in communication).
2. The Six Basic Business functions.
(Apart from listing each one of the six basic functions, you are required to describe each one of them and explain their importance to every business).
3. The three different types of Economic Systems.
(Need to illustrate the difference between the Free-Market; Command and Mixed economies by giving suitable examples of countries which resembles most each of the economies discussed. Also some advantages and disadvantages of the three different types of economic systems need to be mentioned).