



KULLEGG SAN BENEDITTU Secondary School - Kirkop

**MARKING
SCHEME**

HALF-YEARLY EXAMINATION – 2015/16

One Graded Paper

FORM 3	BUSINESS STUDIES	TIME: 1h 30min
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Section	A	B	C	D1	D2	E	TOTAL
Marks	10	10	10	25	25	20	100

Section A

(Total 10 marks)

Match the following phrases together by putting the corresponding number besides each correct phrase.

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

Eg. Opportunity Cost = The best alternative forgone

0	Opportunity Cost		9	Skilled Labour
1	Wants		3	Scale of Preferences
2	Needs		7	Characteristic of Money
3	Choice		10	Semi-skilled Workers
4	Direct Production		5	Division of Labour
5	Indirect Production		8	Function of Money
6	Money		1	iPhone, PS4 & iPad
7	Divisibility		0	The best alternative forgone
8	Measure of Value		2	Food, shelter & clothing
9	Specialisation by Product		4	Bartering
10	Specialisation by Process		6	Legal Tender

Section B

(Total 10 marks)

Fill in the blanks with the appropriate words or terms from the list. Each word or term can be used once only.

1. **BUSINESS** is any activity involving the providing of goods and services.
2. Early man used generally accepted items which everyone was willing to take and accept in exchange for their goods such as **SHELLS AND BEADS**.
3. Money acts as a **MEASURING ROD** of value and its own value therefore, must be very stable
4. What businesses are allowed to do and what help they are given are all determined by government. This includes local government (that is; the Local Councils). In fact, the government creates **LAWS AND LEGISLATIONS** to control business.
5. **CAPITAL GOODS** are used by a business to create more goods and services.
6. **CONSUMER GOODS** are used by individuals at home and in their leisure time.
7. **BUSINESS SERVICES** help the business to work successfully. Examples include accountancy, legal advice and insurance.
8. The reasons for business activity vary. Most businesses exist to make a **PROFIT** but some aim to provide goods or services for Religious, Political or Social reasons
9. **DURABLES** refer to goods which last for a long period of time such as motor vehicles, equipment, furniture and property.
10. **PERISHABLES** are all those single-use goods or products which last only a short time. Examples include disposable goods such as tissues, newspapers, soap, matches and various other things such as butter, salt, pepper and sugar.

Section C

(Total 10 marks)

Read the statements below and underline the most suitable answer.

1. B
2. B
3. C
4. C
5. C
6. A
7. C
8. B
9. A
10. B

Case Study ONE:

Read the passage below and answer the following questions.

1. In a mixed economy, business ownership can be placed in one of two groups: The Private Sector and The Public Sector. What are the two main differences between these two sectors? (2)

*The Private Sector is owned by private individuals whose aim is to maximise their profit.
The Public Sector is owned by the Government whose aim is to provide a service.*

2. There are FIVE different types of business organizations that fall under the PRIVATE Sector; namely:

- (a) Sole Owner
- (b) Partnership
- (c) Private Limited Company (Ltd)
- (d) Public Limited company (plc)
- (e) Co-operatives

Write short notes to describe each one of these: (10 marks: 2 for each correct answer)

- (a) Sole Owner
- (b) Partnership
- (c) Private Limited Company (Ltd)
- (d) Public Limited company (plc)
- (e) Co-operatives

3. There are three different types of business organisations that fall under the Public Sector, namely:
- (a) Government Departments
 - (b) Public corporations
 - (c) Local Councils

Write short notes to briefly explain each one of them. You can give a local example to explain better your answer. (3 marks: 1 for each correct answer)

- (a) Government Departments:
- (b) Public corporations:
- (c) Local Councils:

4. Indicate to Lourdes, as a sole proprietor of her business, some of the advantages of joining Joe and converting her business into a Private Limited Company. (3)

- *More capital for expansion*
- *Work and experience are shared*
- *Limited Liability*
- *More continuation*
- *Specialisation*

Explain clearly the major difference between a Private Limited Company (ltd) and a Public Limited Company (plc). (4)

A Private Ltd. Co. CANNOT offers its shares to the general public (Shares are not traded on the Stock Exchange.

A Public Ltd Co. (plc) can sell its shares to the general public and consequently its shares are traded (quoted) on the Stock Exchange.

5. Name a local Private Limited Company (ltd): _____ (1)

6. Name a local Public Limited Company (plc): _____ (1)

7. What is the difference between Privatisation and Nationalisation? (2)

Privatisation when state owned businesses are sold to the general public while

Nationalisation is when the state buys privately owned firms.

(Will accept also suitable examples which describes either of the practices asked)

8. Briefly explain the term “Public-Private Partnership (PPP). (1)

You can give a local example to illustrate your answer.

A public–private partnership (PPP) is a government service or private business venture which is funded and operated through a partnership of government and one or more private sector companies. These schemes are sometimes referred to as PPP.

Examples of Maltese PPP include:

- *Care Malta (way back in 1994)*
- *The Environmental Landscapes Consortium Ltd. (ELC) (way back to 2002)*

Section D

(Total 25 marks)

Case Study TWO:

Read the passage below and answer the following questions.

1. What is communication? (1)

Any means of making contact

2. List the four basic elements of all communication. (4)

<i>i</i>	<i>Transmitter</i>
<i>ii</i>	<i>Message</i>
<i>iii</i>	<i>Medium</i>
<i>iv</i>	<i>Receiver</i>

3. An exceptionally important element for good communication is **FEEDBACK**.
Explain. (2)

The reply of the receiver for the message received from the transmitter (and vice-versa)

4. List the three methods of internal communication. (3)

i	Verbal (Oral/Spoken) (Inc. Body Language)
ii	Written
iii	Visual

5. List the four methods used for external communication. (4)

i	Telecommunication
ii	Post
iii	Advertising
iv	Transport

6. Explain the following terms:

(a) Downward Communication:

(b) Upward Communication:

(c) Horizontal Communication: (3)

- **Downward Communication** flows from a superior to a subordinate.
- **Upward Communication** occurs when information flow upper the hierarchy from subordinates to superiors.
- **Horizontal Communication**, also known as **Lateral Communication**, is a form of communication whereby people at the same level communicate directly.

7. Problems or Distortions in communication can arise for several reasons.
List the five main **reasons** that can cause problems in Communication. (5)

i	Technical Reasons
ii	Geographical Reasons
iii	Language Reasons
iv	Emotional Reasons
v	Social Reasons

8. Give a brief definition of the terms below:

(i) Span of Control

(ii) Chain of Command

(iii) Delegation of Authority

- *Span of Control refers to the limit to how many people can someone control.*
 - *Chain of Command is the phrase used to describe the line of staff that falls under each manager's responsibility. Chain of Command is based on "line management".*
 - *Delegation of Authority refers to when particular individuals are given authority to make certain kinds of decision. Giving people responsibility and work to do is known as "delegation". Thus, delegation means giving authority to subordinates to make certain decisions.*
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Section E

(Total 20 marks)

Choose TWO of the following topics and on the foolscap provided answer the questions about them (10 marks each)

1. The Three Stages of Production

List the three stages of production and explain their subdivisions. You can give various examples to illustrate your answer.

Reference need to be made also to Chain of Production and the Interdependence of Industry.

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.

You need also to stress the bond and connection between each function and the importance of maintaining constant links between all six function.

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.

4. The Four Factors of Production

Describe the four factors of production and their main characteristics.

It is important to mention the rewards for each of the four factors.

5. Centralisation & Decentralisation

Distinguish and explain these two terms by giving both advantages and disadvantages of each.