



KULLEGG SAN BENEDITTU Secondary School - Kirkop

Mark

HALF-YEARLY EXAMINATION – 2015/16

One Graded Paper

| | | |
|---------------|-------------------------|-----------------------|
| FORM 3 | BUSINESS STUDIES | TIME: 1h 30min |
|---------------|-------------------------|-----------------------|

| Section | A | B | C | D1 | D2 | E | TOTAL |
|----------------|----|----|----|----|----|----|------------|
| Marks | 10 | 10 | 10 | 25 | 25 | 20 | 100 |
| Student's Mark | | | | | | | |

DO NOT WRITE ABOVE THIS LINE

Name: _____

Class: _____

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

| | | | | |
|-------------------|------------------|---------------|---------------------|----------------|
| profit | shells and beads | durables | laws & legislations | business |
| business services | perishables | capital goods | measuring rod | consumer goods |

- _____ is any activity involving the providing of goods and services.
- Early man used generally accepted items which everyone was willing to take and accept in exchange for their goods such as _____ .
- Money acts as a _____ of value and its own value therefore, must be very stable
- 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 _____ to control business.
- _____ are used by a business to create more goods and services.
- _____ are used by individuals at home and in their leisure time.
- _____ help the business to work successfully. Examples include accountancy, legal advice and insurance.
- The reasons for business activity vary. Most businesses exist to make a _____ but some aim to provide goods or services for Religious, Political or Social reasons
- _____ refer to goods which last for a long period of time such as motor vehicles, equipment, furniture and property.
- _____ 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.

- An organisation chart shows:
 - the location of each department in a firm
 - the internal structure of an organisation
 - the offices of each departmental manager

2. The span of control shows:
 - (a) how instructions are passed on from one level to another
 - (b) the number of people under the authority of an official
 - (c) how a firm is organised into different departments

3. An example of Fixed Capital is:
 - (a) Money held at bank
 - (b) Raw material used for production
 - (c) Machinery used by a furniture factory

4. Those who invest money in a company are called:
 - (a) Stakeholders
 - (b) Employers
 - (c) Shareholders

5. Transport is an example of:
 - (a) Primary stage of Production
 - (b) Secondary Stage of Production
 - (c) Tertiary Stage of Production

6. 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

7. Two-way communication occurs when
 - (a) A message is sent from a mobile phone
 - (b) A message is sent via an email
 - (c) Someone replies to a message received

8. The department that is responsible for the welfare of workers in a firm is the :
 - (a) Production Department
 - (b) Personnel Department
 - (c) Purchasing Department

9. The trend for a business or workers to concentrate on one type of activity is known as :
 - (a) Specialisation
 - (b) Industrialisation
 - (c) Globalisation

10. Which of the following can invite the general public to buy shares in it?
 - (a) Public Sector
 - (b) Public Company
 - (c) Public Corporation

Case Study ONE:

Read the passage below and answer the following questions.

Lourdes Bonello is Gozitan sole trader. As an entrepreneur, she owns two Diving Schools, one in Ghajnsielem and another in Xlendi. She intends to expand her business by joining her friend Joe Saliba and transforming the business into a private limited company. Her future intention is to open a small restaurant in Comino from where she can expand her diving business by opening another dive centre.



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)

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:

(a) _____

_____ (2)

(b) _____

_____ (2)

(c) _____

_____ (2)

(d) _____

_____ (2)

(e) _____

_____ (2)

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.

(a) Government Departments:

_____ (1)

(b) Public corporations:

(1)

(c) Local Councils:

(1)

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.

(2)

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

(2)

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)

8. Briefly explain the term "Public-Private Partnership (PPP).
You can give a local example to illustrate your answer.

(2)

Section D
Case Study TWO:

(Total 25 marks)

Read the passage below and answer the following questions.



Good communication is essential if a business is to succeed. Businesses need to communicate to gather information, to give information, to discuss issues and to act accordingly! Communication is also important to a business because it not only helps them to operate efficiently, but play an important part in creating a good public image!

1. What is communication?

_____ (1)

2. List the **four basic elements** of all communication.

(4)

| | |
|-----|--|
| i | |
| ii | |
| iii | |
| iv | |

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

_____ (2)



Communication is one of the most important activities of any organisation.

It is used within the business (ie; **internal** communication) as a means of:

- Organizing and controlling its operations
- Co-coordinating the activities of its various departments or sections
- Informing, directing and motivating its workforce.

Communication also provides important **external** links between the firm and its suppliers and customers, as well with other branches of the same organisation situated elsewhere.

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

| | |
|-----|--|
| i | |
| ii | |
| iii | |

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

| | |
|-----|--|
| i | |
| ii | |
| iii | |
| iv | |

6. Explain the following terms:

(a) Downward Communication:

_____ (1)

(b) Upward Communication:

_____ (1)

(c) Horizontal Communication:

_____ (1)



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

| | |
|-----|--|
| i | |
| ii | |
| iii | |
| iv | |
| v | |

8. Give a brief definition of the terms below:

(i) Span of Control

(1)

(ii) Chain of Command

(1)

(iii) Delegation of Authority

(1)

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. Give suitable examples to clarify your answers. It is also 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.