FORM 3 BUSINESS STUDIES TIME: 1h 30min

Name: _____________________________ Class: ______________

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<tbody>
<tr>
<td>MARKS</td>
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STUDENT’S MARK

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MARKS

Track 2
SECTION A

ANSWER ALL QUESTIONS IN THIS SECTION
Tick the correct answer in the space provided.

1. An example of **capital goods** is
   (a) a television set in your living room
   (b) a bus owned by a hiring garage
   (c) a small car owned by a family

2. An example of **direct production** is
   (a) a man producing food in his own field for his family
   (b) a man working as a carpenter in a furniture factory
   (c) a man spraying furniture in a furniture factory

3. The **Human Resources Department** in a firm deals with
   (a) the welfare of the employees at the place of work
   (b) the political and legal interests of the workers
   (c) the personal earnings and wealth of the employees

4. **Two-way communication** occurs when
   (a) a message is sent in the home of workers
   (b) a message is sent in the home of clients
   (c) someone replies to a message received

5. The **hygiene factors** include
   (a) promotion possibilities and career development
   (b) company policies, salaries and job security
   (c) personal hygiene and overtime possibility

6. The **maturity stage** in the product life cycle comes just after
   (a) the introductory stage
   (b) the growth stage
   (c) the decline stage

7. The roles of the **retailer** include
   (a) the production and marketing of the final product
   (b) the branding and pricing of the final product
   (c) breaking of bulk and selling in small units to customers

8. When a firm needs to **choose its suppliers** it has to take into account
   (a) the relationship of the owners with the supplier
   (b) the commercial bank used by the supplier
   (c) the reliability of the supplier to meet requirements
9. A pie chart shows
   (a) exact quantities
   (b) relative quantities
   (c) actual quantities

10. Just-in-time supplies refers to
    (a) materials delivered to the firm just when they are needed
    (b) materials delivered to the firm long before they are needed
    (c) materials delivered to the firm just after they were required

SECTION B

ANSWER ALL QUESTIONS IN THIS SECTION.
Each question carries 2 marks. Answer in the space provided under each question.

1. Define the term wants as used in Business Studies.

2. Explain what you understand by the term mixed economy.

3. What is a partnership deed?

4. What is the span of control?

5. Define the term working population.
6. Explain what is meant by market penetration pricing.

7. What is the product life cycle?

8. What is branding?

9. What is job specification?

10. What do you understand by delegation of authority?

SECTION C

[40 marks]

ANSWER BOTH QUESTIONS IN THIS SECTION.
Write your answer on the foolscaps provided. Each question carries 20 marks.

Question 1 – Read the following passage and then answer the questions that follow:

In an economy there are different forms of business organisations. The main forms of business organisations are sole traders, partnerships and limited liability companies.

(a) Define the terms:
   (i) sole trader
   (ii) partnership
   (iii) limited liability company

(b) How do we call the owners of a limited liability company?
(c) What is the major difference between a **public limited company** and a **private limited company**? (4 marks)

(d) What are **dividends**? (2 marks)

(e) In which occasion do the owners of a limited liability company have the right to vote? (2 marks)

(f) Explain the term **limited liability**. (2 marks)

(g) Explain the term **separate legal entity**. (2 marks)

**Question 2 – Read the following passage and then answer the questions that follow:**

**A firm faces the following weekly demand and supply schedules for one of its products:**

<table>
<thead>
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<th>Supply</th>
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<tr>
<td>10</td>
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<td>170</td>
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<td>15</td>
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On the graph paper provided, draw the demand and supply curves.

(a) Label the demand curve **D₁** and the supply curve **S₁**. (5 marks)

(b) From the table above determine:
   (i) the equilibrium price. (2 marks)
   (ii) the equilibrium quantity. (2 marks)

(c) What do we call the market situation if the market price is €10? (2 marks)

(d) What do we call the market situation if the market price is €15? (2 marks)

(e) Assume that demand increases by 20 units a week at each price level;
   (i) Write down the new demand schedule. (4 marks)
   (ii) Draw the new demand curve on the same graph you have drawn in part (b) of this question and label it **D₂**. (1 mark)
   (iii) What is the new equilibrium price? (1 mark)
   (iv) What is the new equilibrium quantity? (1 mark)
SECTION D

ANSWER ALL QUESTIONS IN THIS SECTION.
Answer on the foolscaps provided.

(a) Define the following types of production:
   (i) job production
   (ii) batch production
   (iii) flow production

(b) Give one (1) example of job production.

(c) Give one (1) example of batch production.

(d) Give one (1) example of flow production.

(e) Mention one (1) advantage of flow production.

(f) What are quality controllers?

(g) What are progress chasers?

(h) Briefly say why the production department has to keep close contact with the finance department and purchasing department.