

**Annual Examinations for Secondary Schools 2018**

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**YEAR 9 BUSINESS STUDIES MARKING SCHEME**

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**SECTION A**

**[5 x 1 mark = 5 marks]**

1 (c) 2 (a) 3 (d) 4 (a) 5 (d)

**SECTION B**

**[5 x 1 mark = 5 marks]**

Mr. J. Galea started a confectionery business on his own as a **sole trader**. To raise **capital** for the business, he used his personal savings and borrowed a sum of money from the bank. The main advantage of this type of business is that all the business' **profit** belong to the owner. However, since this type of business has **unlimited liability**, if the business fails, Mr. J. Galea may lose his personal possessions. Mr. J. Galea is planning to ask Ms. P. Testa to join him in business in order to form a **partnership**.

**SECTION C**

**[5 x 1 mark = 5 marks]**

**Match the following terms by writing down the appropriate number in the middle column. The first one has been done for you.**

0.	Marketing department	<b>4</b>	Prepares the firm's accounts in accordance to the laws.
1.	Research and development department	<b>2</b>	Manufactures the business' products.
2.	Production department	<b>3</b>	Keeps records of all employees.
3.	Human resource department	<b>5</b>	Buys all items that the business needs.
4.	Finance department	<b>0</b>	Informs possible customers about products and persuading them to buy.
5.	Purchasing department	<b>1</b>	Finds out new production techniques for the business to lower its production costs.

## SECTION D

[10 marks]

c. *Accept any other reasonable answer.*

FALSE. Labour refers to the employees of a business.

(2 marks)

d. TRUE.

(1 mark)

e. *Accept any other reasonable answer.*

FALSE. Services are non-physical objects that cannot be passed on to others.

(2 marks)

f. *Accept any other reasonable answer.*

FALSE. A democratic manager involves workers in the decision making process.

(2 marks)

g. TRUE.

(1 mark)

h. *Accept any other reasonable answer.*

FALSE. In a market economy decisions about production are made by private individuals.

(2 marks)

## SECTION E

[2 x 25 marks = 50 marks]

### Question 1

a. *Accept any other reasonable answer.*

- Unemployment – Those people who want to work but cannot find a job. (1 mark)
- Factors of production – The factors of production are resources consisting of land, labour, capital and entrepreneur which are used by a business to produce goods and services. (1 mark)
- Entrepreneurs – Are persons who organize land, labour and capital for the business to start producing and selling goods and services. (1 mark)
- Job vacancies – Jobs which have not been filled. (1 mark)
- Recruitment – Finding and hiring the best-qualified candidate (from within or outside of an organisation) for a job opening. (1 mark)

b. *Any three (3) of the following or any other reasonable answer:*

- Frictional unemployment – Refers to those people who are unemployed because they have left their job and are searching for a better job.
- Structural unemployment – Affects a particular industry and types of jobs. It occurs because of a change in the demand pattern or in the methods of production.
- Seasonal unemployment – This type of unemployment is found in industries such as tourism where there are seasonal nature of work.
- Technological unemployment – Unemployment that is caused by technological changes.
- Cyclical unemployment – When the world's economy is passing through difficult times (recession or depression), workers will lose their jobs because the general demand for products all over the world decreases.

- Regional unemployment – When a big company closes down, it will create unemployment in that area in which it is situated.
  - Voluntary unemployment – Workers choose to remain unemployed. (6 marks)
- c. *Accept any other reasonable answer.*
- i. To employ new staff. (1 mark)
  - ii. Job description – A list of the main duties of the job. (1 mark)  
Job specification – Sets out the kind of qualifications, skills and experiences that are needed from successful candidates. (1 mark)
  - iii. *Any two (2) of the following for each section:*  
Job specification – Candidates must demonstrate good communication and organisational skills. Candidates should be in possession of A level standard of education or secretarial certificate. Computer knowledge is essential. (2 marks)  
Job description – Handling correspondence with foreign suppliers, maintaining department schedules, answering or referring inquiries, preparing reports by collecting information, securing information by completing database backups. (2 marks)
- d. *Accept any other reasonable answer.*
- i. Letter of application – A letter written by the applicant explaining why he/she is applying for the job, why he/she can do the job properly and his/her ideas about the job. (1 mark)  
A C.V. is a summary of a person’s employment and educational record. (1 mark)
  - ii. *Any three (3) of the following or any other reasonable answer:*  
Name, address, telephone, mobile, date of birth, e mail address, nationality, work experience, educational qualifications, personal skills and competences, communication skills, organisational/managerial skills, technical skills and competences and referees. (3 marks)
- e. *Any two (2) of the following or any other reasonable answer:*  
To find out about:
- the applicant’s ability for the job,
  - the personal qualities of the applicant,
  - the general character and personality of the applicant,
  - the best prospective worker for the business and whether the applicant can work well with the existing business staff. (2 marks)

## Question 2.

- (a) *Any five (5) of the following:*  
Product, place, price, promotion, process, physical evidence and people. (5 marks)

*Any three (3) of the following:*

- Product – Decisions have to be taken about the product itself. Such decisions include; What to produce? What design, brand name, quality and packaging are going to be used for the product?
- Price – The price at which the product will be sold.
- Promotion – This is how the product is advertised and promoted, to encourage consumers to buy the product.
- Place – In which shops the product is going to be sold and how is the product going to reach such shops.
- People – Staff should have the appropriate interpersonal skills, attitude, and service knowledge to provide the service that consumers are paying for. (3 marks)
- Process – Refers to the systems used to assist the organisation in delivering the service.
- Physical evidence – Where is the service being delivered?

- (b) *Accept any other reasonable answer.*  
Through marketing, the business will inform consumers about this product and tries to persuade them to buy. (1 mark)

- (c) i. *Accept any other reasonable answer.*  
Advertising is a message that uses words, pictures and sound to inform and persuade people to buy. (1 marks)

- ii. *Accept any other reasonable answer.*  
Informative advertising – Advertises that give information about the product that is being advertised. (1 mark)

Persuasive advertising – Advertises that use techniques to persuade consumers to buy the product which is being advertised. (1 mark)

- iii. *Accept any other reasonable answer.*  
Persuasive advertising because it tries to persuade consumers to buy the business products. (2 marks)

*Accept any other reasonable answer.*

- iv. Advantage – The advert is explained better on television. (1 mark)

Disadvantage – It is more expensive to advertise on television when compared with advertising on radio. (1 mark)

- v. *Any one (1) of the following or any other reasonable answer:*

Advantages of advertising:

- Advertises make consumers aware of the products that are being sold.
- Create competition among businesses.
- Advertises increase the sales of businesses and so more jobs are created.
- Help to pay for sports events and concerts.
- Contribute towards the costs of newspapers, magazines, television and radio stations. (1 mark)

- v. *Any one (1) of the following or any other reasonable answer:*  
Disadvantages of advertising:
- Advertising increases the prices of products.
  - Most adverts try to persuade people to buy, even if they don't need the commodity that is being advertised.
  - Some adverts encourage bad habits.
  - Advertising may encourage people to be wasteful.
- (1 mark)
- (d) i. *Accept any other reasonable answer.*  
Sales promotion refers to the encouragement given to make consumers buy the product.
- (1 mark)
- ii. *Any two (2) of the following or any other reasonable answer:*  
Free samples, coupons, competitions or free gifts.
- (2 marks)
- (e) • Manufacturer – that business which uses the factors of production to produce products.
- Wholesaler – is a business that buys in large quantities from manufacturers and sells in smaller quantities to shops (retailers).
- Retailer – is that shop which sells goods to consumers.
- Consumer – that person who buys the products.
- (4 marks)

## SECTION F

[10 marks]

### Question 1.

- a) **T** – Transmitter, **M** – Medium, **M** – Message, **R** – Receiver. (4 marks)
- b) Feedback is the response of the receiver to the message. (1 mark)
- c) One way communication – When the receiver of a message has no chance to reply to the message. In this case, no feedback is allowed. (1 mark)  
Two way communication – When the receiver of a message has a chance to reply to the message. In this case, feedback is allowed. (1 mark)
- d) Agenda – Contains the items that are going to be discussed during a meeting. (1 mark)  
Minutes – Written records of what have been discussed during the meeting. (1 mark)  
Non-verbal communication – this refers to the way persons walk or sit, the number of times they smile and their facial expressions. Non-verbal communication is also referred to as body language. (1 mark)

**Question 2.**

- a) A business that can have 2 or more owners (partners). (1 mark)
- b) *Any two (2) of the following:*
- The name and address of the partnership.
  - The amount of money each partner has invested in the business.
  - The registered office of the partnership in Malta.
  - The objects of the partnership (What the partnership will be trading in).
  - The duties of each partner.
  - How profits or losses are to be shared among the partners.
  - How much each partner will be paid (salary). (2 marks)
- c)
- General partnership – In this type of partnership all partners have unlimited liability. (1 mark)
  - Limited partnership – In this type of partnership, partners may have limited liability but at least one of them must accept unlimited liability. (1 mark)
- d) A sleeping partner is a partner with limited liability that contributes money for the business but cannot run the partnership. The sleeping partner shares profits or losses of the partnership with the other partners. (1 mark)
- e) *Advantages: Any two (2) of the following or any other reasonable answer:*
- Greater continuity than a sole trader. If a partner is ill or on holiday, the other partners will open the business.
  - The work of the business is divided among the partners.
  - More people are available to contribute money for the partnership.
  - Losses are shared among the partners.
  - More ideas to make business decisions.
  - Can bring in a wider range of skills than a sole trader.
  - Business problems can be discussed among partners. (2 marks)
- Disadvantages: Any two (2) of the following or any other reasonable answer:*
- Partners may have unlimited liability.
  - Partnership does not have a separate legal entity.
  - A new partnership agreement should be done if a partner leaves or dies.
  - Possible conflicts among partners.
  - Profits are shared among the partners.
  - Partners may withdraw part of the money invested in the business only if the other partners agree. (2 marks)

### Question 3.

- a) Wants are goods or services, which people would like to have but are not essential for our living. Needs are goods or services, which are essential for our living. (2 marks)
- b) The private sector includes all those businesses which are owned by individuals or groups of individuals. The public sector includes all businesses that are owned by the government. (2 marks)
- c) Centralisation refers to the concentration of control of an activity or organisation under a single authority. Decentralisation is the process of redistributing powers, people or things away from a central location or authority. (2 marks)
- d) Geographical mobility of labour refers to the ease of changing the location of a job. Occupational mobility of labour refers to the ease of changing from one type of job to another. (2 marks)
- e) A quotation gives details about prices, discounts and delivery times of the goods that the buyer wants to buy. An order shows the type, quantity, size, amount and price of the items that the buyer wishes to buy. (2 marks)