

Annual Examinations for Secondary Schools 2018

YEAR 10 **BUSINESS STUDIES** **TIME: 1hr 30 min**

Name: _____

Class: _____

FOR OFFICIAL USE ONLY								
MARKS								
SECTION	A	B	C	D		E	PROJECT	TOTAL
QUESTION	1 – 10	11	12 - 21	22	23	24 - 26		
MARKS	10	5	20	15	15	20	15	100
STUDENT'S MARK								

INSTRUCTIONS TO STUDENTS

ANSWER ALL QUESTIONS.

NON PROGRAMMABLE CALCULATORS MAY BE USED.

THE CLEAR PRESENTATION OF YOUR WORK IS IMPORTANT.

ILLEGIBLE WORK MAY NOT BE MARKED.

SECTIONS A, B AND C ARE TO BE ANSWERED ON THE PAPER.

SECTIONS D AND E ARE TO BE ANSWERED ON THE FOOLSCAPS PROVIDED.

SECTION A**[10 marks]****ANSWER ALL QUESTIONS IN THIS SECTION****Tick (✓) the correct answer in the space provided.**

1. When a firm chooses suppliers it takes into account
 - (a) quality, clarity, brand.
 - (b) ability, price, location.
 - (c) stability, reliability, price.
 - (d) reliability, price, VAT rate.

2. A firm needs to buy
 - (a) goods, materials, fixed assets.
 - (b) goods and stationery only.
 - (c) materials and fixed assets only.
 - (d) goods and materials only.

3. The re-order level refers to the
 - (a) period of time that it takes for a new order to arrive.
 - (b) quantity that has to be ordered on the next order.
 - (c) order size that permits the lowest cost to the firm.
 - (d) stock level at which a new order has to be made.

4. The sign which shows that a product is up to European Union standards is
 - (a) EU
 - (b) EEC
 - (c) CEE
 - (d) CE

5. Drawings are
 - (a) money withdrawn from the bank and put in the cash till.
 - (b) money taken from the cash till and deposited in the firm's bank.
 - (c) cash and assets taken by the proprietor for personal use.
 - (d) cash and assets put in the business by the proprietor.

6. The Malta Stock Exchange
 - (a) is an organisation where one can stock one's investments.
 - (b) permits investors to exchange stocks and shares.
 - (c) permits investors to know who bought their investments.
 - (d) permits investors to know all those who like to invest.

7. Among the objectives of a firm, one finds:
 - (a) profit, customer satisfaction and growth.
 - (b) survival, growth and evasion of taxation.
 - (c) goodwill, profit and underpaying employees.
 - (d) customer satisfaction, loss making and growth.

8. Two confectioners have decided to amalgamate their businesses. This is an example of a
- (a) vertical forward merger.
 - (b) vertical backward merger.
 - (c) horizontal merger.
 - (d) conglomerate.
9. In spite of the advantages gained by large firms, small firms still survive because of
- (a) internal economies of scale.
 - (b) external diseconomies of scale.
 - (c) internal diseconomies of scale.
 - (d) the small size of the market.
10. Which of the following is an example of capital expenditure?
- (a) Regular service to a machine.
 - (b) The replacement of a broken attachment.
 - (c) Transport costs to deliver a new machine to the factory.
 - (d) Transport costs to deliver goods to the clients.

SECTION B

[5 marks]

Fill in the blanks below with the appropriate words or terms from the list.

A term can be used only once.

There is one extra word which is not to be used.

brand	franchise	franchisee
franchiser	monopoly	royalties

11. When a business wants to increase its market share or to reach new markets in different countries, it may create a _____ for its products. This is a business agreement between a _____, the original owner of the business, and a _____, the individual who buys the rights. The original firm receives _____. On the other hand, the business buying the rights can benefit from the _____ of the original firm.

SECTION C**[20 marks]****ANSWER ALL QUESTIONS IN THIS SECTION.**

Study carefully each definition given on the left-hand column and write a term which matches with the definition on the right-hand column. An example is given.

E.g. An organisation in which each member as only one vote.	Co-operative
12. A situation where the government sells public enterprises to the private sector.	
13. A situation where an increase in the size of the business organisation leads to lower average costs.	
14. The resistance by a firm to relocate even when the initial advantages of the location no longer exist.	
15. That type of industry whose location is not affected by resources (such as materials), services or transport.	
16. A single business organisation which supplies the whole market.	
17. The agreement between a group of countries to carry on trade among themselves without barriers and/or restrictions.	
18. That type of production which is carried out against an order and according to the specifications of the client.	
19. The largest amount of stock that a business organisation could ever have in its stores.	
20. The situation where stocks are kept to a minimum and are received only as they are needed in the production process.	
21. When firms widen their product range or extend their product range to satisfy a wider range of markets.	

SECTION D

[30 marks]

ANSWER BOTH QUESTIONS IN THIS SECTION ON THE FOOLSCAPS PROVIDED. EACH QUESTION CARRIES 15 MARKS

22. **Study the following statement and then answer the questions that follow:**

Balance of Payments 2003		
	€000	€000
<u>Visible Trade</u>		
Exports	942,404	
Imports	<u>1,201,552</u>	
Visible Trade Balance		A
<u>Invisible Trade</u>		
Exports	505,372	
Imports	<u>321,012</u>	
Invisible Trade Balance		B
Balance of Trade Balance		C
<u>Interest and Transfers</u>		
Interest Received and Transfers Inwards	408,310	
Interest Paid and Transfers Outwards	<u>438,786</u>	
Interest and Transfers Balance		D
Current Account Balance		E
<u>Investment and Capital Flows</u>		
Investment and Capital Inflows	7,133	
Investment and Capital Outflows	<u>514</u>	
Investment and Capital Flows Balance		F
Balance of Payments		G

- (a) What is the **balance of payments**? (2 marks)
- (b) What is the **balance of trade**? (2 marks)
- (c) Explain the terms **exports** and **imports**. (2 marks)
- (d) What do you understand by the term **visible trade balance**? (1 mark)
- (e) Explain the term **invisible trade balance**. (1 mark)
- (f) From the table above calculate the following values (indicated by letters in the table):
 - A** visible trade balance (1 mark)
 - B** invisible trade balance (1 mark)
 - C** balance of trade (1 mark)
 - D** interest and transfers balance (1 mark)
 - E** current account balance (1 mark)
 - F** investment and capital account balance (1 mark)
 - G** balance of payments (1 mark)

[Total for Question 22: 15 marks]

23. **Read the following passage and then answer the question that follow:**

The workers of Planets Ltd have joined a trade union. The first thing that the trade union did was discussing a collective agreement with the employer. This required making collective bargaining which resulted in a collective agreement acceptable to both parties: the employer and the employees.

- (a) What is the main aim of a trade union? (1 mark)
- (b) What is **collective bargaining**? (2 marks)
- (c) Explain what is meant by each of the following terms:
- (i) General union (2 marks)
 - (ii) Industrial union (2 marks)
 - (iii) White collar union (2 marks)
 - (iv) Craft union (2 marks)
- (d) Explain the difference between **conciliation** and **arbitration** in the case of an industrial dispute. (2 marks)
- (e) What is the difference between **go slow** and **work to rule** in an industrial action? (2 marks)

[Total for Question 23: 15 marks]

SECTION E

[20 marks]

Choose ONE of the following and answer all related parts on the foolscaps provided.

24. (a) What is a commercial bank? (1 mark)
- (b) How does a central bank differ from a commercial bank? (4 marks)
- (c) Explain in some detail five services that a commercial bank can offer. (15 marks)

[Total for Question 24: 20 marks]

OR

25. (a) What is a limited liability company (joint stock company)? (2 marks)
- (b) Explain the term **limited liability** as used in the title of a limited liability company. (2 marks)
- (c) Explain the main difference between a **private limited company** and a **public limited company**. (2 marks)
- (d) Explain one advantage that a public limited company has compared to a private limited company. (2 marks)
- (e) Explain briefly the following documents related to the formation of a limited liability company:
- (i) Articles of Association (2 marks)
 - (ii) Memorandum of Association (2 marks)
 - (iii) Certificate of Incorporation (2 marks)
- (f) Sometimes the **registrar of companies** issues a **trading certificate**.
- (i) What is the **registrar of companies**? (2 marks)
 - (ii) To which type of organisation is the trading certificate issued? (2 marks)
 - (iii) What does the **trading certificate** indicate? (2 marks)

[Total for Question 25: 20 marks]

OR

26. (a) Explain the term **specialisation**. (2 marks)
- (b) What is the difference between **specialisation by product** and **specialisation by task**? (2 marks)
- (c) Explain four advantages of specialisation (either specialisation by product or specialisation by task). (8 marks)
- (d) Explain four disadvantages of specialisation (either specialisation by product or specialisation by task). (8 marks)

[Total for Question 26: 20 marks]

END OF PAPER