

04. Business social responsibility means,

- (1) Business should carry out its activities in accordance with acts.
- (2) understanding good and bad giving benefits to all stakeholders working with the business
- (3) Acting in a fair way for all stakeholders related to business
- (4) A business does not need to consider the objectives of shareholders in decision making.
- (5) business should consider the needs and wants of customers of business in its decision making. (.....)

5. Which of the following cannot be considered as current expenditure of government?

- (1) education (2) health (3) environment protection
- (4) interest payment (5) road construction (.....)

06. Some consumer rights and responsibilities are given below.

- | | |
|----------------------------------|-------------------------------|
| A - To be informed | B - Concern about society |
| C - Active participation | D - To select |
| E - To acquire basic needs | F - Co-operation |
| G - To obtain consumer education | H - Concern about environment |

Select the answer which contains consumer responsibilities only.

- (1) A, D, E, G (2) B, C, F, H (3) B, C, D, E
- (4) D, E, F, G (5) E, F, G, H (.....)

07. Athidyan and Niruthika who are the owners of the 'Green Production' business which processes banana leaves and produces food parcel boxes were awarded as best entrepreneurs for the year 2019. Select the statement in relation to green production.

- (1) 'Green Production' business has legal personality.
- (2) Liability of Athidyan and Niruthika is unlimited.
- (3) 'Green Production' can issue shares to public to collect capital.
- (4) 'Green Production' business has long term survival.
- (5) 'Green Production' business is an independent business. (.....)

08. Names of some businesses are given in column X and characteristics of businesses are given column Y.

X	Y
1. Central Depository System (pvt) Ltd	A - One vote for each member
2. Fishing Co-operative Society ltd	B - Established under special or general act
3. Sri Lanka Rupavahini Corporation	C - No legal personality
4. Railway Department	D - Minimum number of director is 1.

Select the answer which contains the characteristics of business organizations in order.

- (1) D, A, B, C (2) D, A, C, B (3) B, C, A, D
- (4) A, D, B, C (5) C, D, A, B (.....)

09. The characteristic not relevant for small businesses is,

- (1) Hiring and training employees is easy.
- (2) Small amount of capital is adequate to start business.
- (3) Contribution of family members can be obtained for business activities.
- (4) Modern technologies can be used easily.
- (5) Changes can be faced quickly. (.....)

10. Involvement of women in entrepreneurship is required at present because,

- (1) loan can be obtained easily.
- (2) successful entrepreneur award can be obtained easily.
- (3) government provides more non-financial motivations.
- (4) they provide contribution for business development.
- (5) There are some businesses requiring women contribution. (.....)

11. Some set of business organizations are given below. Select the answer which contains contractual savings institutions only.

- (1) primary dealers, employee trust fund, share brokering companies
- (2) co-operative rural banks, licensed specialized banks, insurance companies
- (3) insurance companies, employee trust fund, government servants trust fund
- (4) specialized leasing companies, venture capital companies, primary dealers
- (5) employee trust fund, Central Bank of Sri Lanka, co-operative rural bank (.....)

12. Select incorrect statement from the following in relation to cheque.

- (1) Order cheque is more safety than bearer cheque and endorsement is not required when ownership is transferred.
- (2) The cheque where the words 'or bearer' are not cut off is a bearer cheque.
- (3) Any party related to a cheque can cross the cheque but drawer only can remove the cross lines.
- (4) A cheque crossed as 'payee account only' limits transfer of ownership.
- (5) Legal transfer of ownership of cheque is ensured by endorsement. (.....)

13. Niroshan conducts a hardware business selling things required for building construction. Some risks faced by his business are given below.

- A - Fire risk for building
- B - Business loss in past years
- C - Corrosion risk of iron
- D - Risk in relation to not recovering receivables from debtors
- E - Theft loss in business
- F - Goods in transit risk
- G - Risk in relation to incorrect management decision

The number of insurable risks is,

- (1) 2 (2) 4 (3) 5 (4) 6 (5) 3 (.....)

14. Some advantages of various communication media are given below.

- A - A problem can be presented discussed in detail.
- B - Data, notes and tables can be presented easily.
- C - Information can be presented in summary and clearly.
- D - Sender and receiver of information can involve directly.
- E - Information can be presented quickly and secretly.
- F - High accuracy of information
- G - Information can be presented with more explanation.

Select the answer which contains advantages of verbal communication.

- (1) B, C, D (2) C, D, E (3) A, E, F
- (4) A, D, E (5) C, F, G (.....)

20. Dividing total overall organizational activities into small task that can be performed by each employee easily in organizing steps is denoted by,

- (1) division of work (2) departmentalization (3) delegation of authority
 (4) co-ordination (5) creating work standards (.....)

21. Details of products produced by two entrepreneurs Ragul and Theebak are as follows.

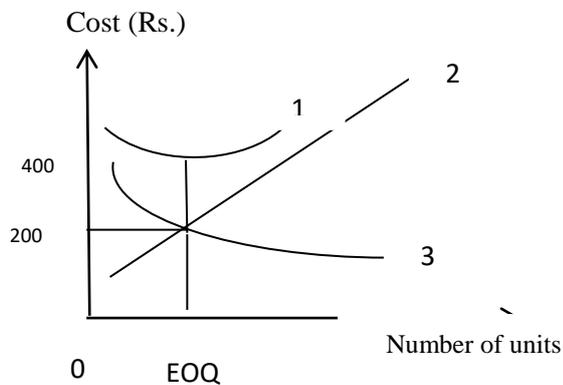
Ragul: Soft drinks

Theebak: Cake production for birthday and wedding functions

Select the answer which contains an advantage of the production method that can be used by Ragul and a disadvantage of the production method that can be used by Theebak, in order.

- (1) Production in accordance with needs and wants of customer, low cost
 (2) Low unit cost, Requirement of larger capital
 (3) Modern technology can be used easily, production not focused on market
 (4) Low number of employees, facing market risks
 (5) Maintaining customer satisfaction at higher level, high cost (.....)

22. Graphical method of calculating EOQ is given below.



The numbers in the diagram 1, 2 and 3 denote,

- (1) 1 - total cost, 2 - holding cost, 3 - ordering cost
 (2) 1 - ordering cost, 2 - holding cost, 3 - total cost
 (3) 1 - holding cost, 2 - total cost, 3 - ordering cost
 (4) 1 - holding cost, 2 - ordering cost, 3 - total cost
 (5) 1 - ordering cost, 2 - total cost, 3 - holding cost (.....)

23. Which of the following is not an advantage of computer aided designing (CAD)?

- (1) reduction in waste
 (2) zero defects
 (3) increase in efficiency
 (4) improvement in employer - employee relationship
 (5) increase in production capacity (.....)

24. Marketing variables used by Bright soap production business are given below.

- | | |
|----------------------|-------------------------|
| A - Quality | F - Market intermediate |
| B - Discounts | G - Warranty |
| C - Transport | H - Design |
| D - Personal selling | I - Inventory |
| E - Package | K - Advertising |

Select the answer which contains the variables which can be included under product.

- (1) B, C, D, F (2) A, E, H, I (3) D, F, G, J
 (4) A, B, C, D (5) A, E, G, H (.....)

25. Select the answer which consists of industrial goods in the view of marketers.

- (1) soap, newspaper, pen (2) life insurance policies, new book, dictionary
 (3) electric equipment, garments, furniture (4) cigarette, rice, bread
 (5) factory building, factory machine, management consultancy services (.....)

26. The marketing concept which discloses that, All valuables in marketing mix should be implemented with a view that target customer should be satisfied is,

- (1) Relationship Marketing concept
 (2) Social Relationship Marketing concept
 (3) Integrated Marketing concept
 (4) Internal Marketing concept
 (5) Micro Marketing concept (.....)

27. Which of the following investment decisions cannot be considered as long term investment decision?

- (1) decision related to trade stock (2) decision related to business modernization
 (3) decision related to business renovation (4) decision related to business diversification
 (5) decision related to business promotion (.....)

28. X column shows main financial ratios and Y column shows financial ratios included in those financial ratios.

Column X	Column Y
1. Liquidity ratio	A. Return on investment ratio
2. Profitability ratio	B. Inventory turnover ratio
3. Activity ratio	C. Interest coverage ratio
4. Coverage ratio	D - Quick ratio

Select the answer which consists of the financial ratios in the order of main types of financial ratios.

- (1) A, B, D, C (2) B, C, A, D (3) D, C, B, A
 (4) D, A, B, C (5) D, A, C, B (.....)

29. The payments and settlements system supporting to ensure organized activities and existence of financial system of a country is,

- (1) financial market (2) financial institutions (3) financial tools
 (4) financial infrastructure facilities (5) Central Bank of Sri Lanka (.....)

30. An advantage of external recruitment is,

- (1) motivation to employees (2) good employer and employee relationship
 (3) less cost (4) less time consumption for recruitment
 (5) recruiting right person to right job (.....)

Fill the blanks in the questions 31 - 40 using relevant words.

31. (a) The fruits used in producing fruit juice in a restaurant is included under as input and ventilation in restaurant is included under as input.
(b) The best producer award 2019 provided for Stylo apparel producers is for the business and increase of tax on cloth import by government is for the business.
32. (a) The activities related to government income and expenses are considered as and Central Bank of Sri Lanka implements policy.
(b) The government influences the businesses as a by providing electricity facilities and is maintained in constant level through external price stability.
33. State whether the following statement related to classifications of businesses are true or false. (.....)
A - Co-operative society is a private sector business with not-for-profit. (.....)
B - Mc Donalds, KFC, Pizza Hut etc. are production franchise businesses. (.....)
C - Combination of fruit juice production business and Archana glass producers which produce glass bottles is a conglomerate combination. (.....)
D - Colombo Exchange Commission is a company limited by guarantee. (.....)
34. Some examples for the types of money are given below. Write the relevant type of money for the examples.
A - Fixed and savings deposits, treasury bills
B - SET Card, PET Card
C - Current deposits at commercial banks
D - Currency notes and coins
35. Write the relevant insurance principles related to the following occasions.
A - Even though Rita is a single sister for David, he cannot insure the life of Rita.
B - Asha could not get the compensation, as she failed to disclose heart decease when she made the insurance.
C - Even though Vahishan insured his lorry for Rs. 2 million, he could obtain only Rs. 1 million, when his lorry met the loss of Rs. 1 million.
D - Karthika has obtained a theft insurance policy for her business. A part of her business caught fire and damaged. However, she could not get compensation.
36. (a) Exporting textiles produced with imported cloth and other goods is trade and importing tea by Sri Lanka from India and exporting to Iran is called trade.
(b) Payment of employee provident fund to government through internet is e-trade and is an example for G2B (government to business)
37. Write the relevant organizing principles for the following statements.
A - Flow of authority from top level management to low level management on a hierarchical order
B - One employee being to be reported to only one supervisor.
C - The number of employees reported to a manager
D - All authority for decision making vested in high level management

38. Fill the blanks in the following equations.

(1) Break-even point at units = $\frac{\text{Total fixed cost}}{\dots\dots\dots}$

(2) Re-order level = Maximum inventory usage \times $\dots\dots\dots$

(3) Machine productivity = $\frac{\text{Output}}{\dots\dots\dots}$

(4) Debt ratio = $\frac{\text{Loans (payable fixed interest)}}{\dots\dots\dots}$

39. (a) $\dots\dots\dots$ and $\dots\dots\dots$ are the intermediaries in the distribution of industrial goods.

(b) The investors who purchase $\dots\dots\dots$ shares are the owners of the company and $\dots\dots\dots$ shares have less risks and no administrative power.

40. (a) All jobs have tasks, $\dots\dots\dots$ and $\dots\dots\dots$

(b) $\dots\dots\dots$ describes the job and $\dots\dots\dots$ contains the qualifications of the person who is relevant to perform a job.

• Write the short answer for the questions 41 - 50.

41. (a) State four special features of services in comparing with goods.

- (1) $\dots\dots\dots$ (2) $\dots\dots\dots$
(3) $\dots\dots\dots$ (4) $\dots\dots\dots$

42. Provide four social responsibilities of employees to be performed by a furniture manufacturing business.

- (1) $\dots\dots\dots$ (2) $\dots\dots\dots$
(3) $\dots\dots\dots$ (4) $\dots\dots\dots$

43. Write the name of acts to be followed by business organizations in the following circumstances.

- A - The name of a sole proprietorship is not similar to its owner's name.
 $\dots\dots\dots$
- B - A partnership did not have written agreement.
 $\dots\dots\dots$
- C - A company is incorporated in Sri Lanka.
 $\dots\dots\dots$
- D - A co-operative society is registered.
 $\dots\dots\dots$

44. The statements related to entrepreneurial skills are given below. Write the relevant skill related to the statements.

- A - Maintaining good interpersonal relationship between internal and external parties
 $\dots\dots\dots$
- B - Maintaining good relationship to fulfill the objective
 $\dots\dots\dots$
- C - Having the skills related to planning, organizing, leading and controlling
 $\dots\dots\dots$
- D - Leading and motivating subordinates to accomplish the tasks
 $\dots\dots\dots$

45. Write the four ways of contribution of licensed commercial banks for the activities of businesses.

- (1)
- (2)
- (3)
- (4)

46. State four activities taken to improve railway transport.

- (1)
- (2)
- (3)
- (4)

47. Activities of a manager in accordance with his sub roles are given below. Write the relevant sub role of manager.

Activities	Sub roles of manager
A. Welcoming guests, signing in legal documents
B. Identifying strategies for the development of new projects
C. Participating as a representative in the negotiations with trade unions
D. Facing strikes, violation of agreements, consumer complaint and shortage for goods

48. Provide four methods to improve productivity of a cloth hand bags producing business.

- (1) (2)
- (3) (4)

49. Some promotion methods are given below. Write the relevant promotion method in the dotted lines given.

- A - A fresh milk producer distributes milk door to door using his cycle.
.....
- B - Conducting a street drama to make the public awareness regarding eradicating dengue.
.....
- C - Conducting a seminar for G.C.E. (Adv. Level) students with sponsorship of private bank
.....
- D - 50% discount to furniture up to December 31 only.
.....

50. Provide four sub markets of money market.

- (1) (2)
- (3) (4)
