INSTRUCTIONS TO CANDIDATES

To be read by the external invigilator to all candidates.

1. The subject code for Business Studies is 11.

2. There are 11 printed pages in the question booklet. An electronic answer sheet for part A and 7 paged answer booklet for part B are inserted in the question booklet.

3. There are two sections in this paper. Answer all questions.

   **Section A: Multiple Choice (Questions 1-30) 30 Marks**

   This section will be electronically marked.

   All answers to the Multiple Choice Section MUST be answered on the ELECTRONIC ANSWER SHEET provided.

   Carefully following the instructions, fill in your Candidate Information and Subject Information.

   If you make a mistake, rub the shading out completely using an eraser and shade in your alternative clearly.

   **Section B: Short Answer (Questions 31-40) 70 Marks**

   Write down your name, your school name and complete your 10 digit candidate number on the Section B Answer Sheet Provided.

4. You are required to only write the correct answer in the space provided.

5. Calculators may be used.

6. Answer all questions on the answer sheet. Answers on any other paper including rough work paper and the question paper will not be marked.

7. ALL working must be shown step by step to get full marks. You may lose marks for writing down final answers only.

8. Correction fluid is not allowed on the answer sheet. Where you have made an error, cross out all the working and start on a new line.

Penalty For Cheating Or Assisting To Cheat In National Examinations Is Non-Certification.

DO NOT TURN OVER THE PAGE
AND DO NOT WRITE
UNTIL YOU ARE TOLD TO START.
PART A: MULTIPLE CHOICE (QUESTIONS 1 - 30) 30 MARKS

Answer each question by shading in with HB pencil the circle directly below the correct alternatives: A, B, C, or D on the electronic ANSWER SHEET provided.

If you make a mistake, erase the shading completely with an eraser and shade in your alternative clearly.

QUESTION 1
John is interviewed by the manager of ZY Limited for a job.

John is the
A. interviewer.  B. interviewee.
C. moderator.  D. manager.

QUESTION 2
A summary of qualification and work history sent when applying for a job is called a
A. School Certificate.
B. Character Reference.
C. Curriculum vitae.
D. Personal account.

QUESTION 3
The owner of a business who has a direct interest in the business is called a
A. shareholder.  B. stakeholder.
C. customer.  D. manager.

QUESTION 4
The process of getting things done in an efficient and effective manner with and through other people is known as
A. planning.  B. management.
QUESTION 5
The acronym SWOT stands for
A. strategies, weakness, operations, threats.
B. strength, workers, outsource, transaction.
C. service, work, organize, tasks.
D. strength, weakness, opportunities and threats.

QUESTION 6
The key functions of management are
A. selling, organizing, accounting, planning.
B. planning, organizing, leading, controlling.
C. controlling, structuring, analyzing, recording.
D. leading, marketing, planning, reporting.

QUESTION 7
A skill that is needed to owning and operating a successful business is
A. compensation skills.
B. technical skills.
C. pastoral skills.
D. interpersonal skills.

QUESTION 8
Which of the following is NOT a source of financing a business?
A. Personal savings
B. Loan from commercial banks
C. Contribution from friends
D. Donor funds for community project

QUESTION 9
The need to starting a small business arises because of
A. the expectation from the community.
B. the requirement of the society.
C. availability of resources and community.
D. output market being equal to input market.
QUESTION 10
For a business to be successful, the manager must be efficient.

Efficiency is defined as the ability to
A. achieve maximum output with minimum resources.
B. achieve minimum output with minimum resources.
C. equalize input with output.
D. minimize profit and maximize sale.

QUESTION 11
Money paid to insurance companies for insurance cover is called
A. interest rate.  B. insurance premium.
C. rental cover.  D. dividend premium.

QUESTION 12
An advantage of a sole proprietor is
A. the owner bears much of the loses.
B. the business is terminated on the death of the owner.
C. there is total control of business by the owner.
D. business can be demanding and time consuming.

QUESTION 13
Job Builder Limited went into bankruptcy in which John Jack was a share holder who allotted K1000.00 share at K1.00 each. He initially paid K600.00 and is therefore liable to pay an amount of
A. K200.00  B. K400.00
C. K1,400.00  D. K1,600.00
QUESTION 14
As a tourist destination, what small business activity would be appropriate for the people of province XYZ to be involved in?
A. Production and marketing of fish.
B. The development of cultural and development sites.
C. Development of Oil palm project.
D. Encourage logging activities.

QUESTION 15
A tax rebate is money collected by
A. business selling goods and services at the point of purchase.
B. tax payers receiving a portion taxes paid to the internal revenue commission.
C. custom officers receiving tax refund on tax exports.
D. the internal revenue commission on the movement of goods and services within the different provinces.

QUESTION 16
When an existing business is bought to be cannibalised, it basically means to buy and
A. sell the business off.
B. merge the business with the existing business.
C. separate its different business components and sell.
D. operate the business as a separate entity of the business.

QUESTION 17.
Which of the statement is true when a sole trader is paying tax?
A. Pay tax to the government on profit made.
B. Pay tax on income earned by employees.
C. Exempted from paying tax.
D. Pay tax when the owner feels like it.
QUESTION 18

Board of directors are appointed in which particular meeting?

A. Annual general meeting  
B. Management meeting  
C. Directors meeting  
D. Board meeting

QUESTION 19

When Mr. Johns is being interviewed by the panel of interviewers using the telephone, this is known as

A. video communication.  
B. visual communication.  
C. non-verbal communication.  
D. telecommunication.

QUESTION 20

Mr. Johns is using the following statement to discipline his employee “I don’t care how you do it”

Which style of communication is Johns using?

A. Aggressive  
B. Passive  
C. Assertive  
D. Submissive

QUESTION 21

Three techniques that can improve listening are

A. empathy, note taking, reflective listening.  
B. active listening, note taking, message taking.  
C. active listening, reflective listening, empathy.  
D. empathy, note taking, message taking.

QUESTION 22

When an organisation conducts in house training for its employees, this is called a

A. recruitment process.  
B. training process.  
C. hiring process.  
D. catering process.
QUESTION 23
Two common inputs that can be transformed within the production process are
A. materials and information.
B. people and technology.
C. materials and distribution.
D. customers and suppliers.

QUESTION 24
In operations management, which two factors can be able to do the transforming process within an organisation?
A. Customers and Information
B. People and Technology
C. Suppliers and Distributors
D. Distributors and Customers

QUESTION 25
What would be the best strategy to use if the cost of operating an Information Technology Department outweighs the operational benefits?
A. Outsource
B. Product differentiation
C. Refinancing
D. Resourcing

QUESTION 26
The process of attracting, developing and maintaining a quality workforce to support organisational goals and strategies is referred to as
A. human resource management.
B. performance management.
C. record management.
D. financial management.

QUESTION 27
Mr. Pitt writes a statement on what the job holder does, how that job is done and why it is done.
The statement is called a
A. job analysis.
B. job enrichment.
C. job description.
D. job specification.
QUESTION 28
The human resource manager of BEE Limited systematically reviews the human resource requirements to ensure that the required number of people with the skills is available when needed.

What is this Human Resource activity known as?
A. Recruitment planning  B. Selection
C. Human resource planning  D. Career planning.

QUESTION 29
The act of discussing an issue between two or more parties with different interests with an aim of coming to an agreement is referred to as
A. coalition.  B. negotiation.
C. arbitration.  D. acquisition.

QUESTION 30
Developing a job file folder is the responsibility of the
A. job seeker.  B. employer.
PART B: SHORT ANSWER: (QUESTION 31-40) 70 MARKS

Write the answers to the Questions on the Answer Booklet provided.

QUESTION 31

a. Describe the following type of business organizations.
   (i) Sole proprietor (2 Marks)
   (ii) Partnership (2 Marks)
   (iii) Company (2 Marks)

b. List any two of the three main types of management skills. (1 Mark)

QUESTION 32

One method of owning and operating a small business is franchising.

a. Explain what a franchise is. (2 Mark)

b. How does a franchise system operate? (2 Mark)

c. List two types of franchises operating in Papua New Guinea. (2 marks)

d. Name a firm that is in the service franchise business. (1 Mark)

QUESTION 33

Business competes to gain a ‘Share of the Market’.

a. Discuss how you understand the term ‘Market’ (2 Marks)

b. Explain what ‘Market Share’ is. (2 Marks)

c. State three reasons why a business needs to conduct market research. (3 Marks)

QUESTION 34

a. State the reason for having an executive summary in a business plan. (2 Marks)

b. State two reasons for the inclusion of financial projection in a business plan. (2 Marks)

c. List at least three features of organisations? (3 Marks)
QUESTION 35

Joe is thinking of starting a business. His financial position is shown below.

- Savings in the bank: K 5,000.00
- Loans from friends: K 4,000.00
- Loans to friends: K 3,000.00

a. What amount is available for use by Joe? (2 Mark)
b. How much is Joe’s liability? (2 Marks)
c. Identify three possible actions that Joe can take to recover the loans to his friends. (3 Marks)

QUESTION 36

a. Describe three forms of verbal communication. (3 Marks)
b. State two examples of non-verbal communication. (2 Marks)
c. State one example of a closed question (2 Marks)

QUESTION 37

MINUTE
TO: Mr. David Jones
SUBJECT: Staff Bonus Payment
FROM: Mr. Tom Reid

You are kindly advised that the board has approved the bonus payment for three staff members. They are Ms. Julie Exon, Mr. Luke Brown and Mr. Mathew Phillips.

Please, pay them their bonus by Friday.

Tom Reid.

There are seven important information missing from the minute.
List them. (7 Marks)
QUESTION 38
a. State four activities that are part of operation managers’ job (4 Marks)
b. State two internal stakeholders of any business organisation. (2 Marks)
c. State one characteristics of an autocratic leadership style. (1 Mark)

QUESTION 39
Use the words listed below to complete the table. Write your answers in the Roman Numerals in the answer sheet provided. The underlined words in the list have been used as an example for you and they should not be used again.

Word List

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QUESTION 40
a. What is the difference between ‘dismissal’ and ‘unfair dismissal’ (4 Marks)
b. List any three methods of ‘dispute resolution’ when dealing with ‘employee relations’ in the workplace. (3 Marks)

END OF EXAMINATION
Write your name, your province and school codes and your candidate number correctly and clearly in the space provided below.

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Name: ____________________________________________

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Answers written on the QUESTION paper or any other paper will NOT be marked. Write answers in the spaces as provided on this answer booklet.

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FINAL TOTAL
SECTION B - ANSWERS

Write your answer in the space provided below. Your answers must be clear and precise.

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