

ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව  
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අධ්‍යයන පොදු සහතික පත්‍ර (සාමාන්‍ය පෙළ) විභාගය, 2018 දෙසැම්බර්  
 கல்விப் பொதுத் தராதரப் பத்திர (சாதாரண தர)ப் பரீட்சை, 2018 டிசெம்பர்  
 General Certificate of Education (Ord. Level) Examination, December 2018

ව්‍යවසායකත්ව අධ්‍යයනය I, II  
 முயற்சியாண்மைக் கற்கை I, II  
 Entrepreneurship Studies I, II

12.12.2018 / 0830 - 1140

පැය තුනයි  
 மூன்று மணித்தியாலம்  
 Three hours

අමතර කියවීමේ කාලය - මිනිත්තු 10 යි  
 மேலதிக வாசிப்பு நேரம் - 10 நிமிடங்கள்  
 Additional Reading Time - 10 minutes

Use additional reading time to go through the question paper, select the questions and decide on the questions that you give priority in answering.

### Entrepreneurship Studies I

#### Note :

- Answer all questions.
- In each of the questions 1 to 40, pick one of the alternatives (1), (2), (3), (4) which you consider as correct or most appropriate.
- Mark a cross (X) on the number corresponding to your choice in the answer sheet provided.
- Further instructions are given on the back of the answer sheet. Follow them carefully.

1. Wimal, Amal and Sunimal are engaging in the following ways of business activities.

*Wimal* : Analyse the business environment to identify the business opportunities and establish a business entity to carry out the business activities.

*Amal* : Analyse the business environment to identify the business opportunities and produce new product.

*Sunimal* : Analyse the business environment to identify the business opportunities and importing goods.

Who can be considered as a business entrepreneur/entrepreneurs?

- (1) Wimal (2) Amal and Sunimal  
 (3) Sunimal (4) Wimal and Sunimal

2. Followings are two statements about businesses.

A – Any business started by utilizing more money is success.

B – Forecasting external environment is uncertain, when preparing business plans.

Relating to the business activities,

- (1) A and B are correct. (2) A and B are incorrect.  
 (3) A is correct and B is incorrect. (4) A is incorrect and B is correct.

3. The willingness of doing a job with high salary can be considered against to entrepreneurship as

- (1) a social factor. (2) an economical factor.  
 (3) a cultural factor. (4) a political factor.

4. Future activities of a business should be planned properly by an entrepreneur. This skill is considered as

- (1) analytical skill. (2) human skill. (3) technical skill. (4) conceptual skill.

5. Entrepreneur likes to become his own master. From this, the explained characteristic is

- (1) optimistic. (2) determination. (3) flexibility. (4) independence.

6. What is the most correct statement related to an entrepreneur?
- (1) Person who does not like to have high benefits and to bear high risk without calculation of risk.
  - (2) Person who likes to bear any risk with a good calculation.
  - (3) Person who always believes that success depends on his own fate and luck.
  - (4) Person who always operates business activities by following rigid policies and not adopting the changes in the environment.
7. A common characteristic of any business organization is
- (1) engaging in a production activity.
  - (2) earning profits.
  - (3) advertising.
  - (4) utilizing limited resources.
8. To identify the strengths of his a business, entrepreneur analyses the
- (1) internal environment.
  - (2) micro environment.
  - (3) external environment.
  - (4) global environment.
9. The characteristics of **not** following strict policies and rigid opinions by entrepreneurs is considered as
- (1) flexibility.
  - (2) self confidence.
  - (3) self motivation.
  - (4) commitment.
10. 'Increasing tax rates by the government is a threat to a business'. This can be identified in
- (1) micro environment.
  - (2) political and legal environment.
  - (3) social and cultural environment.
  - (4) economic environment.
11. What is a 'Non profit' business?
- (1) super market
  - (2) garment
  - (3) government hospital
  - (4) rural bank
12. A force in the micro environment of a business is
- (1) owners.
  - (2) competitors.
  - (3) managers.
  - (4) foreign investors.
13. A group of people working together to achieve a common goal is called as
- (1) an organization.
  - (2) a department.
  - (3) a corporation.
  - (4) a network.
14. Piyal pays Employee Provident Fund for his employees properly. He fulfils
- (1) an economic responsibility.
  - (2) a legal responsibility.
  - (3) an ethical responsibility.
  - (4) a philanthropic responsibility.
15. Kamal started a business immediately by taking a bank loan and having contribution of his family without using considerable time for planning. But he couldn't carry on the business successfully. What would be a reason for that Kamal's business was unsuccessful?
- (1) Starting a business with loan
  - (2) Getting contribution from family members to business activities
  - (3) Not planning business activities properly
  - (4) Starting with limited capital
16. Implementing a project to encourage local industries by the government can be considered as
- (1) a strength.
  - (2) a weakness.
  - (3) an opportunity.
  - (4) a threat.
17. Followings are the some of the characteristics of needs and wants.
- A – ability to create
  - B – common to all
  - C – change according to the person
  - D – limited
- Select the correct statement.
- (1) A and C wants and B and D needs.
  - (2) A and B wants and C and D needs.
  - (3) A, B and D wants and C needs.
  - (4) B and C wants and A and D needs.

18. Electronic Commerce can be considered as  
(1) an extension. (2) a new invention. (3) a duplicating. (4) a combination.
19. Business enterprises that provide banking services belong to  
(1) primary sector. (2) secondary sector. (3) tertiary sector. (4) industrial sector.
20. Money exchange service through a mobile phone can be considered as  
(1) an existing service to the existing market.  
(2) an existing service to a new market.  
(3) a new service to the existing market.  
(4) a new service to a new market.
21. The certificate issued by Divisional secretary relating to start a Sole proprietorship is  
(1) Certificate of Incorporation.  
(2) Certificate of Divisional Secretary.  
(3) Certificate of Registration of Business Name.  
(4) Certificate of Registration of Sole Proprietorship.
22. The most appropriate strategy to attract customers is  
(1) introducing product differentiation.  
(2) reducing the quality and reducing the price.  
(3) expanding the business activities having a bank loan.  
(4) recruiting new employees.
23. 'An attractive investment idea which can provide an adequate return to the risk taker' can be identified as  
(1) a business idea. (2) a good business activity.  
(3) a business opportunity. (4) an entrepreneur's ability.
24. Government certification which is given for one's innovation is  
(1) standard certificate. (2) patent right.  
(3) certificate of innovation. (4) quality certificate.
25. Information regarding needed employees of business is included in  
(1) financial plan. (2) marketing plan. (3) administrative plan. (4) production plan.
26. Which of the following is a public sector business organization?  
(1) Incorporated company (2) State company  
(3) Private company (4) Partnership
27. A business plan is a  
(1) document which identifies the tasks of the business and shows how to conduct them properly.  
(2) document which presents objectives that the business expects to achieve.  
(3) document which presents the objectives to be achieved from the business and functions that need to reach those objectives.  
(4) document which presents the various ways of adopting to the environmental changes.
28. The organization which gives non financial benefits like, inspections of the quality of the export and import goods is  
(1) Industrial Technology Institute. (2) Sri Lanka Standard Institute.  
(3) Industrial Development Board. (4) Sri Lanka Export Development Board.
29. Which of the following can be considered as a product differentiation?  
(1) Introducing a new type of milk powder  
(2) Providing milk powder for a concessionary price  
(3) Giving special discounts  
(4) Introducing an economical milk powder sachet packet

30. Select the correct answer in order to calculate the unit cost of production.

(1)  $\frac{\text{Total Production}}{\text{Number of units produced}}$

(2)  $\frac{\text{Total Production}}{\text{Material cost}}$

(3)  $\frac{\text{Total Production cost}}{\text{Production cost}}$

(4)  $\frac{\text{Total Production cost}}{\text{Number of units produced}}$

31. Which is **not** a similarity between entrepreneur and businessman?

(1) Facing the risk

(2) Facing the competition

(3) Self motivation

(4) Gaining maximum benefits from resources

32. Which is the private sector business organization?

(1) Incorporated companies

(2) Authority

(3) Corporations

(4) Departments

33. Roshini invested Rs.200 000 as a capital for her business and she spent Rs.75 000 from it to purchase fixed assets. According to these details, what is the correct answer?

(1) Total investment of the business is Rs.275 000 and purchasing of Rs.75 000 assets is a cash outflow.

(2) Fixed assets of the business is Rs.75 000 and creditors is Rs.125 000.

(3) Rs.200 000 is a cash inflow and purchasing of Rs.75 000 assets is a cash outflow.

(4) Cash balance is Rs.125 000 and the total cash outflow is Rs.275 000.

34. Which of the following is **not** a basic characteristic of an incorporated company?

(1) Capital is provided by the owners.

(2) It is having a separate legal identity.

(3) Activities of management are done by directors.

(4) It is not having a continued existence.

35. Which of the following is **not** included in the production process?

(1) Output

(2) Input

(3) Supply

(4) Process of conversion

- Read the following case and answer the questions 36 to 40.

Kavindu is operating a garment business. 50% of the total number of employees of his business is differently abled soldiers. Kavindu produces modern styles of garments. He has taken a bank loan and pays high rate of interest for it. However, he pays relevant tax properly and has taken Rs.2 million insurance coverage for the business. Kavindu always monitor the business activities whether they are operating according to the plans.

36. Kavindu can be considered as

(1) an institutional entrepreneur.

(2) a social entrepreneur.

(3) a green entrepreneur.

(4) a creative entrepreneur.

37. An increasing of loan interest can influence to Kavindu's business as

(1) a strength.

(2) an opportunity.

(3) a threat.

(4) competitive advantage.

38. Monitoring whether the business activities are conducted according to the plan is a role of

(1) the owner.

(2) the manager.

(3) the leader.

(4) the producer.

39. Insurance instalment can be considered as

(1) an other production cost.

(2) a material cost.

(3) a product unit cost.

(4) an overhead cost.

40. 'Producing garments according to the modern styles.' This characteristic of entrepreneurship is considered as

(1) dedication.

(2) flexibility.

(3) creativity.

(4) taking risks.

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ව්‍යවසායකත්ව අධ්‍යයනය I, II  
 முயற்சியாண்மைக் கற்கை I, II  
 Entrepreneurship Studies I, II

## Entrepreneurship Studies II

\* Answer five questions including question No. 1.

1. Read the following case carefully and answer the questions (i) to (x).

Sudesh and his foreign friend Alan came to the 'Gem Jewellery' which is very popular in producing and selling gem jewellery in Ratnapura. Kalana, the owner of this Gem Jewellery warmly welcomed them and became very good friends in a little time. Meanwhile they discussed deeply about the business activities, Kalana explained so proudly to Sudesh and Alan about the achievements of his business life so far. According to Kalana's expressions his native place is Rathnapura. During the period of school, he studied how to start a business and manage it in successful way and made dreams in future to start his own business.

After having passed the G.C.E. (A/L) examination, he entered the university. He obtained a Special Degree on Chemistry. To overcome the economic problems that he faced in the university and also to bring his dream into reality, he started buying gems at less price from mining people and selling. Within a short period of time he was very popular as a small scale gem businessman. After having completed the Degree, Kalana expanded his business activities by adding gold to gem and producing modern styles of gem products to bring more value to them. This business is named as 'Gem Jewellery'. 50% of employees of Gem Jewellery is recruited from low income families in the area. Every year Kalana builds a house for a very poor family in the same area. In addition, he manages business activities and pays tax to the government properly.

- State **two** factors to justify that Kalana is a successful entrepreneur.
- Explain the legal condition relevant to the registration of Kalana's 'Gem Jewellery' business.
- State **two** social responsibilities fulfilled by Kalana.
- State **two** advantages for Kalana's business by fulfilling the social responsibilities.
- State **two** benefits each that Kalana and national economy gain from Kalana's entrepreneurial activities.

Followings are some of the information related for the next month of Kalana's business in above case.

Item	Value (Rs.)
Sales income	5 000 000
Raw material cost	2 000 000
Labour cost	400 000
Other production cost	180 000
Administration expenses	98 000
Bank Loans	1 000 000
Sales expenses	50 000

Using the above information,

- Prepare the 'statement of expected end result calculation' of Kalana's business for the next month.
- Calculate the total production cost of Kalana's business for the next month.
- Calculate the non-production cost of Kalana's business for the next month.
- Calculate the net profit of Kalana's business for the next month.
- State **two** examples for each cash inflows and cash outflows of Kalana's business.

(02 × 10 = 20 marks)

[see page seven

2. (i) 'Entrepreneurs are considered as a resource to a country.' Explain briefly.  
 (ii) State the main difference between land and capital among the factors of production.  
 (iii) State **four** reasons to justify that the entrepreneurship should be developed in Sri Lanka.  
 (iv) State **two** communication skills that are needed to become a successful entrepreneur.  
 (v) 'Small businesses directly contribute to the development of the country.' State **four** factors to justify this statement. (02 × 5 = 10 marks)
3. (i) State **two** examples for each primary and secondary sector businesses.  
 (ii) Name **two** main parties influence the determination of business ethics.  
 (iii) State **four** business areas that women entrepreneurship is more popular.  
 (iv) Write **two** examples for non-financial incentives that can be used to develop entrepreneurial culture in Sri Lanka.  
 (v) State **two** facts that should be considered when preparing a executive summary. (02 × 5 = 10 marks)
4. (i) State **two** reasons why government incentives are needed to an entrepreneur.  
 (ii) State **two** limitations of sole proprietorships.  
 (iii) State **two** reasons why entrepreneurs are more interested in starting incorporated companies.  
 (iv) State **two** types of organizations which could be implemented as franchises.  
 (v) State **four** factors that should be included in a partnership agreement. (02 × 5 = 10 marks)
5. (i) State **two** methods that can be used to collect needed information in market analysis.  
 (ii) State **four** benefits of preparing a marketing plan to an entrepreneur.  
 (iii) State **two** characteristics of modern business environment when comparing past business environment.  
 (iv) State **two** ways that can be used to promote goods and services by using new technology at present.  
 (v) Sunil Perera is an owner of a garment factory. State **four** cost items that can be used to calculate production cost when producing T-shirts in his business. (02 × 5 = 10 marks)
6. (i) State **two** steps of the process of selecting a good business idea.  
 (ii) State **two** differences between business ideas and business opportunities.  
 (iii) Select a business you like and state an example each for its strength, weakness, opportunity and threat.  
 (iv) Name **four** factors that should be considered when establishing a business.  
 (v) State **four** alternative ways that a new entrepreneur can be followed for entering to the market. (02 × 5 = 10 marks)
7. The information related to the business plan prepared for the Painting business of Mr. Piyal Ranasinghe is given below.

Expenses estimation	Rs.
Preparing the premises of the factory	20 000
Getting the water supply	25 000
Testing the paint samples	10 000
Market survey expenses	8 500
Expenses of the opening day	12 000
Payments to pradeshiya sabha for licences	500
Buying a machine of mixing paints	100 000
Buying two computers	70 000

The building owned to Mr. Piyal will be expected to use for painting production and it's value is Rs. 4 000 000. Further, it has been estimated Rs. 50 000 needed for the expenses of next two weeks.

**Required:**

- (i) Calculate the total value of fixed assets of Piyal's business. (03 marks)  
 (ii) Calculate the needed total expenses before starting this business. (03 marks)  
 (iii) Calculate the total investment of this business. (04 marks)

(Total 10 marks)