



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

04. Select the answer which shows the evolution of business properly.
1. Direct production / Usage of money / Barter system / Trade / Commerce / Industrial Revolution / Auxiliary Services / E commerce / E-Business
  2. Self-sufficient economy / Surplus Production / Barter system / Trade / Usage of money / Auxiliary services / Industrial revolution and large scale production / information technology / Trade / E commerce / E business.
  3. Industrial revolution / Direct production / Barter system / Usage of money / large scale production / information technology / Trade / E commerce / E business.
  4. Self-sufficient era / Direct production / Indirect Production / Industrial Revolution / Barter system / Usage of money / Commerce / Electronic Business / Information Era.
  5. Barter system / Price Mechanism / Indirect Production / Commerce / Industrial Revolution / E Business / Knowledge economy. (.....)
05. Select the answer which shows the products included in Industrial Sector in GDP sectorial classifications.
1. Livestock / Mining / Manufacturing / Gas / water supply
  2. Mining and Quarrying / Home dwelling / Manufacturing / Construction
  3. Construction / Manufacturing / home industries / water supply / communication
  4. Mining / Electricity / Home industries / Water supply / Construction
  5. Mining / Garment Industry / Fishery / Home dwelling / Construction (.....)
06. Select the statements which defines Trade Properly.
1. Mother buys her daughter a pair of shoes on her birthday.
  2. Bandu buys 5kg of rice for his family consumption.
  3. Maala made 100 pieces of Aluwa for her daughter's school.
  4. Amara picked 500g of capsicum from his garden for his own consumption.
  5. Mithrapala transport ownership of his land to his son. (.....)
07. Even though the ancient society produce their needs and wants by themselves, these needs and wants are now mostly obtained through market. This happens due to.
- |                       |                        |
|-----------------------|------------------------|
| 1. Barter system      | 2. Job production      |
| 3. Direct production  | 4. Indirect Production |
| 5. Primary Production | (.....)                |
08. Select the answer which represents primary secondary and tertiary product
1. Mining and quarrying / Farming, construction / Trade, direct and personal services
  2. Farming, Fishery / Mining, construction / Trade, Communication
  3. Farming, Mining / Construction, Trade / communication, transportation
  4. Farming, Mining / Electricity and Gas / Commerce, Auxiliary services
  5. Mining, farming / Manufacturing construction / Auxiliary Services, Trade. (.....)

09. You should stand business environment properly to become a successful business. Business environment can be classified as internal and external. Match following A with B.

A	B
Economic Environment	a. Scarcity of resources/ high cost of energy/ Environment pollution.
Demographic Environment	b. Legal Acts , government policies / Court
Natural Environment	c. Unemployment /Trade balance / Inflation.
Political Environment	d. Research and Development / Tele communications / new manufacturing process
Technological Environment	e. Domestic Patterns / Age structure / Education level
	f. Environment pollutions / Atmosphere / races
	g. Inflation / Exchange rate / profession

When above matched,

1. 1-g, 2-e, 3-f, 4-b, 5-d.                      2. 1-c, 2-e, 3-f, 4-d, 5-b                      3. 1-g, 2-f, 3-a, 4-d, 5-b  
 4. 1-c, 2-e, 3-a, 4-b,5-d                      5. 1-a, 2-b,3-c, 4-d, 5-e                      (.....)

10. Following table shows business interested parties and Business social responsibility towards and them.

Parties	Social Responsibilities
1. Government	e. Minimizing environment pollution.
2. Owners	f. Living reasonable benefits.
3. Employees	g. Providing professional safety.
4. Customers	h. Supplying true details of producing.
5. Community	i. On time payment
6. Suppliers	j. Paying on time.

What this is matched,

1. e, f, g, h, e, j    2. i, f, g, h, e, j    3. j, f, g, h, e, i    4. g, f, h, j, e, i    5. e, f, g, i, j, h    (.....)

11. A strategy used by the government to supply financial facilities to the business is,

1. Management consultation.                      2. Technological knowledge  
 3. Training Employees.                      4. Providing re-financial facilities.  
 5. Supplying market facilities.                      (.....)

12. Which one of following is not an economic objective of a government.

1. Economic growth and development.    2. Reasonable income distribution.    3. Full employment  
 4. Utilization local resources.                      5. Economic Stability                      (.....)

13. Which of the following included in qualitative instrument used in controlling money supply.

1. Assuming a maximum maturity period for the loans supplied by commercial banks.  
 2. Assuming a minimum ratio between assets and capital of commercial banks.  
 3. Recommending the fields to which the loans should be provided.  
 4. Assuming the minimum deposit to issue letters of credits.  
 5. Assuming maximum limits for newly issued loans.                      (.....)

14. Which one following is not an advantage received by a consumer due to consumer protection.
1. Enduring consumer health and protection.
  2. Protection from trade malpractices.
  3. Ability win consumer due to supplying quality goods.
  4. Having a good environment for the consumers.
  5. Ability to have legal protection in needy hours. (.....)

15. Following X shows consumer responsibilities and Y shows

X	Y
1) Critical awareness	A. Taking actions to protect rights and for reasonable transactions.
2) Solidarity	B. Awareness about environment pollution and conservation of natural resources needed for future.
3) Active Participation	C. Questioning about prices and quality of product.
4) Concern over society	D. Awareness about the others interference over out consumption style.
5) Environment Concern	E. Getting together to protect consumer rights.

when these X and Y are matched correctly the answer is,

1. 1-A, 2-C, 3-D, 4-E,5-B
  2. 1-C, 2-E, 3-A, 4-D, 5-B
  3. 1-C, 2-A, 3-E, 4-B, 5-D
  4. 1-B, 2-D, 3-C, 4-E, 5-A
  5. 1-C, 2-A,3-E, 4-D, 5-B (.....)
16. Which one of following is commonly relevant for both sole proprietorships and partnerships.
1. Partnership ordinance 1890
  2. Fraud fraudulent Act 1840
  3. Business names ordinance No. 06 of 1918.
  4. Business registration act 1972
  5. Act No 07 of 2007 (.....)
17. The number of the partners of a partnership is decided by,
1. Partnership ordinance 1890
  2. Fraud fraudulent ordinance 1840.
  3. Ordinance 1907
  4. Companies act No. 07 of 2007.
  5. Act No. 06 of 1918 (.....)
18. Select the answer which is related to public limited company.
- 1). Minimum number of directors is one.
  - 2). Can be registered in the share market.
  - 3). Minimum number of members is one and maximum is unlimited.
  - 4). Public can be invited to purchase shares.
  - 5). Insolvency test should be done before paying dividends.
1. 1, 2, 3, 5
  2. 1, 3, 4, 5
  3. 1, 2, 3, 4
  4. 1, 2, 4, 5
  5. 2, 3, 4, 5 (.....)

19. The minimum number of directors in private public and Co-operatives are,

	Private	Public	Co-Operatives	
1.	1	2	7	
2.	1	2	10	
3.	2	1	10	
4.	2	2	10	
5.	1	1	2	(.....)

20. Select the answer which includes the correct organizations that register incorporated companies and co-operatives.
1. Cooperative Commission and Company Development Department.
  2. Cooperative Development Department and Company Registration Office.
  3. Cooperative Management Institute and Company Management Department.
  4. Sri Lanka National Cooperative Broad and company register office.
  5. National cooperative Development Departments and company office. (.....)
21. The companies which are registered in Sri Lanka in order to do their business activities in other countries are called.
1. Offshore companies.
  2. Foreign Companies
  3. Multinational Companies
  4. Public limited companies
  5. Companies limited by guarantee. (.....)
22. Entrepreneurship means,
- A. Acting as a bridge between labour and management.
  - B. Engaging in business activities bearing risks.
  - C. Carrying on a new business successfully.
  - D. Capturing new business opportunities.
  - E. Ability to obtain profits through business activities.
1. BCD            2. ABC            3. CDE            4. ADE            5. BDE (.....)
23. Definition for entrepreneur is.
1. Person who involves in business management activities.
  2. Person who employees money in a business with the view to earn profit.
  3. Person who do changes to fulfill human needs and wants through innovations.
  4. Person who continues a business carried on by his falter.
  5. Person who manages a business by employing money. (.....)
24. Select the statement which differentiates entrepreneur from manager.
1. Entrepreneur identifies business issues and manager identifies business opportunities.
  2. Entrepreneur pays attention towards returns of the business.
  3. Entrepreneur receives authority of his title and manager creates power by himself.
  4. Entrepreneur is the owner of the business and manager is an employee.
  5. Entrepreneur carries on a business which is already started and manager dedicates to start a business. (.....)
25. A small scale business can be differentiated from a large scale business based on.
1. Number of employees.
  2. Turnover
  3. Capital Employed
  4. Technology
  5. According to all above. (.....)
26. Gemi Pubuduwa which is introduced to supply financial facilities to unemployed youth is operated by.
1. BOC
  2. HNB
  3. Peoples Bank
  4. National Development Bank
  5. Samurdhi Authority (.....)

27. Which one of following is not a function of money.
1. As a measure of value.
  2. As a storage of value.
  3. As a methods of differed payment.
  4. Having a common acceptance.
  5. As a medium of exchange. (.....)
28. The balances of demand deposits maintained at commercial banks are called.
1. Bank money.
  2. Near Money
  3. Fiat Money.
  4. Electronic Money.
  5. Current Money. (.....)
29. Which one of following is a licensed specialized bank.
1. Peoples Bank.
  2. Hatton National Bank
  3. Regional Development Bank
  4. Bank of Ceylon
  5. Seylan Bank (.....)
30. Which one of following is not a function of Central Bank of Sri - Lanka.
1. Operating Fiscal Policy .
  2. Issuing fiat money.
  3. Operating financial policy.
  4. Operating Exchange Policy.
  5. Managing Foreign reserves. (.....)

• **Fill in the blanks for the questions 31 to 40.**

31. (a) A market is created as a..... and a.....  
 (b) Following are information related to a business which bottle fruit juice.  
 :Filling the juice to the bottles, training employees, advertising investing on a new machine).  
 Fill in the blanks using the words given below.

Inputs	Business Process	Output
.....	Product: ..... Marketing : ..... HR : ..... Finance : .....	Bottles filled with fruit juice.

32. (a) Doing good things and avoiding bad is called .....  
 (b) The agreement that has been signed by united nation's member countries agreeing not to do anything harmful for the natural or cultural environment is called .....
33. (a) Controlling inflation, maintaining price stability, controlling interest rate are done by ..... and maintaining the stability of foreign exchange rate is done through .....
34. (a) The amount of deposits that should be maintained at Central bank of Sri Lanka by commercial banks from their deposits is called .....and the foreign exchange is kept at a stable rate through .....policy.

- (b) The system certification given to food production certifying the healthiness of them is called .....The certificate awarded to the organizations with good manufacturing habits is called.....
35. (a) The type of business which supplies efficient services to the customers at a lower price is called. ....
- (b) The type of franchise which produces goods and distributes them under the trade mark of financier is called .....
36. (a) The maximum number of partners in a professional partnership under companies act is .....
- (b) The total amount of money received or receivable by a company relating to issuing shares is called .....
37. (a) ..... has defined entrepreneurship as facing uncertainties.
- (b) ..... has defined entrepreneurship as the ability to start and to maintain a business successfully.
38. (a) The entrepreneurs who positively influence the natural environment are called .....
- (b) The entrepreneurs whose objective is making the world a better place to live is called .....
39. (a) ..... identifies small scale business as the business which has employees less than 25.
- (b) ..... identifies small scale business as the business which has employees less than 50.
40. (a) Central Bank of Sri Lanka has been established on ..... under the monetary law act No. ....
- (b) ..... and ..... are the major two objectives of Central Bank of Sri Lanka.

• **Give Specific answers to questions 40 to 50 .**

41. Name 4 task environment forces.
1. .... 2. ....
3. .... 4. ....
42. Name 4 new trends of business created due to technological advancement.
1. .... 2. ....
3. .... 4. ....
43. Name 4 business responsibilities of a business towards the society.
1. .... 2. ....
3. .... 4. ....

44. Name 4 consumer rights declared by Consumers International.
1. ....
  2. ....
  3. ....
  4. ....
45. Name 4 ways that the Sri Lanka Standard Institution operates standards.
1. .... 2. ....
  3. .... 4. ....
46. What are the types of businesses under government sector.
1. ....
  2. ....
  3. ....
  4. ....
47. What are the facilities provided by franchiser to the franchisee under franchise agreement.
1. ....
  2. ....
  3. ....
  4. ....
48. Write the basic steps of entrepreneurial process.
1. ....
  2. ....
  3. ....
  4. ....
49. Name 4 reasons for the success of small and medium scale business.
1. ....
  2. ....
  3. ....
  4. ....
50. Name 4 agency services of CBSL.
1. ....
  2. ....
  3. ....
  4. ....





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**32 E II**

**Second Term Test - Grade 12 - 2020**

Index No : ..... **Business Studies II** **Three Hours**

**Section A**

- 01. (i) (a) Sasikala after her A/L examination, wishes to follow a handcraft cause, dancing course and a Computer course while Sandeepani wishes to follow a beauty cultural course. Instead of that Sandeepani likes to see films and to go on a picnic too. Classify needs and wants mentioned here. (2 marks)
- (b) There may be more objectives for a business organization than earning profits. Name 4 objectives of businesses. (2 marks)
- (ii) Ayomal carries on a hotel business and his business has been sealed by public health officer (PHI) after a sudden inspection.
  - (a) What is the macro environment factor affecting Ayoma's business as mentioned here. (2 marks)
  - (b) Name and explain 3 actions that can be taken by hotel owners in order to avoid / face this type of threats. (2 marks)
- (iii) Media men perform a wide role as an interested party towards business.
  - (a) Name 2 reasons for the media men to be interested in business activities. (2 marks)
  - (b) What is meant by social Auditing? Give 4 reasons for the social auditing to be important in the market, (2 marks)
- (iv) Consumer are reasonably satisfied by providing quality goods. It increases trust towards the business.
  - (a) Define business ethics and classify business ethnics under business function. (2 marks)
  - (b) What are the matters to be considered in building up of a code of ethics. ? (2 marks)
- (v) Organization culture gives a value to whole business.
  - (a) Define organization culture. (2 marks)
  - (b) How it gives a value to the business. (2 marks)

02. (i) Land, Labour , Capital and Entrepreneurship were taken as factors of production in the past. But knowledge information and time are also included there as resources at present. Give reasons for this. (4 marks)
- (ii) Fast food business is rapidly spreading in the town area in Sri Lanka. What are the macro Environment factors affecting here. (2 marks)
- (b) Explain the internal factors which affect the attracting and retaining new customers to the instance foods. (2 marks)
- (iii) (a) Name the similarities and two differences in between market place and market space. (2 marks)
- (b) Explain the relationship between commerce and business. (2 marks)
- (iv) Business fulfil some important roles in the society.
- (a) Explain the differences happened in business fields due to Industrial revolution. (2 marks)
- (b) Give 4 reasons as to why there is a tendency at present towards other business areas than agriculture. (2 marks)
- (v) Explain why some business concerns on stake holder concept and avoid shareholder concept. (4 marks)
03. (i) (a) Name two occasions that can be considered as the employers have neglected fulfilling their responsibilities towards employees. (2 marks)
- (b) Write two ethics of each passenger and a conductor should follow when travelling by a bus. (2 marks)
- (ii) Explain how a business organization that is known to you contributes towards the business social responsibility. (4 marks)
- (iii) (a) Write 4 steps that can ensure the economic sustainable development. (2 marks)
- (b) Write 4 actions that can be taken to ensure the social and cultural sustainability. (2 marks)
- (iv) (a) Explain as to why business ethics are important for a business organization . (2 marks)
- (b) Name 4 forces which affect the society and stake holders of a business. (2 marks)
- (v) (a) Name 4 economic objectives of a government. (2 marks)
- (b) Government influences businesses by leaving various types of taxes. Name 4 organizations / institutions which collect taxes. (2 marks)
04. (i) The main instrument used by Central Bank of Sri Lanka to control monetary policy is interest rate. Name the major parts of it and explain them. (4 marks)
- (ii) (a) What is meant by quantitative methods of controlling money supply by CBSL? (2 marks)
- (b) What is meant by capital expenditure of a government. Give two examples. (2 marks)
- (iii) (a) Explain how consumer protection is important for a business. (2 marks)
- (b) Explain how rational consumer behaves in the market. (2 marks)
- (iv) (a) Give 4 examples for malpractices of businessmen in the market. (2 marks)
- (b) Give 4 examples for 4 items that consumer affairs authority act has made compulsory to obtain SLS. (SLS Mandatories) (2 marks)

- (v) (a) Explain two major methods that a consumer can get consumer protection. (2 marks)  
 (b) Name 4 instruments used by CBSL to operate monetary policy. (2 marks)

### Part B

05. (i) (a) Explain how the decreasing of bank interest rates by CBSL affect the business. (2 marks)  
 (b) What are the mandatory information that must be displayed in any product as given by consumer affairs authority. (2 marks)
- (ii) Sahan and Pahan are friends. Sahan prefers making independent decisions. He is ready to accept the risks, benefits and disadvantages of those activities by himself. Pahan prefers making decisions with the participation of others and also he is willing to share the risk with others.
- (a) What are the different two types of business suitable for these friends. (1 mark)  
 (b) If these two friends have started the business you have mentioned. Write two advantages and two disadvantages of the said businesses. (3 marks)
- (iii) Dilum is a commerce student who has various talents. His father carries on a bakery with his elder brother. They have employed initial capital and share their losses and profits. He requests his son Dilum to expand the business. He instructed to start a business which can collect large amount of capital and which has high recognition from the government and financial intuitions. What is the type of business introduced by Dilum to his father? Give 4 matters (two advantages and two disadvantages of this business compared to previous business. (4 marks)
- (iv) (a) Lited companies are necessarily public limited companies. All public limited companies are listed companies. Do you agree with this statement? (2 marks)  
 (b) Give reasons on how public limited companies affect the economic development of the country. (2 marks)
- (v) a) Name a type of profit motive government business and non profit oriented business in private ownership. (2 marks)  
 b) Sri Lanka operates some businesses under government sector. Explain one of them with examples. (2 marks)
06. (i) (a) Explain business combination in short. (2 marks)  
 (b) Name various types of business combinations and explain one of them with examples.(2 marks)
- (ii) (a) What are the advantages of creating business combinations. (2 marks)  
 (b) Complete following table with the features of given business.

Nusiness Organization	Capital Formation	Liability	Legal Personality	Number of members
1. Partnership				
2. Co-operatives				

(2 marks)

- (iii) (a) Name 3 types of non-registered business organizations. (2 marks)  
 (b) There are advantage of starting in cooperated companies than non registered businesses. What are the reasons for this? (2 marks)

- (iv) (a) Write the name of the type of the business in front of relevant legal resources. (2 marks)
- |                               |  |
|-------------------------------|--|
| 1. Act no. 6 of 1918          | 2. Co operative amendment act No. 11 of 1992 |
| 3. Partnership ordinance 1890 | 4. Act no of 7 of 2007.                      |

- (b) Write the name of the types of the business in front of the relevant legal sources. (2 marks)

Type of the business	
1	Act no. 6 of 1918 .....
2	Cooperative act No. 11 of 1992 .....
3	Partnership ordinance 1890 .....
4	Act No. 7 of 2007 .....

- (v) What is the definition given by Peter Drucker with regard to an entrepreneur ? (4 marks)

07. (i) (a) Name and explain 4 features of an entrepreneur. (2 marks)

- (b) Entrepreneur are with various skills. Name 4 skills of them. (2 marks)

- (ii) What are the differences between enterepeneaur and businessman. (4 marks)

- (iii) (a) Entrepreneurship gives social, economic and personal benefits. Write 4 personal benefits. (2 marks)

- b) What are the ways of improving entrepreneur skills (2 marks)

- (iv) (a) What are the criterion presented by following institutions to identify small scale business

- |                                   |                                  |
|-----------------------------------|----------------------------------|
| 1. Industrial Development Board.  | 2. Central Bank of Sri Lanka     |
| 3. Department of small Industries | 4. Ministry of Rural Development |
- (2 marks)

- b) Explain the background reasons of developing entrepreneurship in a country (2 marks)

- (v) (a) Write two advantages and two disadvantages of small scale businesses compared to large scale business. (2 marks)

- (b) What are the things to be considered in starting small and medium scale business. (2 marks)

08. (i) Name 4 qualitative and 4 quantitative factors which can differentiate small and medium scale business from large scale business. (2 marks)

- (ii) (a) What is meant by money. (2 marks)

- (b) Explain what is meant by acting as a medium of different payment. (2 marks)

- (iii) (a) Name 4 features of good money. (2 marks)

- (b) Define 'Near Money". (2 marks)

- (iv) (a) Name 4 facilities provided to facilitate electronic transactions. (2 marks)

- b) Name 4 institution that can be introduced as special financial Institutions under CBSL classification. (2 marks)

- (v) (a) Name 3 major parties of a unit trust. (2 marks)

- (b) Explain Lanka Settle System. (2 marks)



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