



FORM 3

BUSINESS STUDIES

TIME: 1h 30min

Name: _____

Class: _____

SECTION A

[20 marks]

ANSWER ALL QUESTIONS IN THIS SECTION

Tick the correct answer in the space provided.

1. The following are examples of **basic needs**
 - (a) food, shelter, education.
 - (b) food, shelter, clothing.
 - (c) shelter, clothing, transport.

2. The following are examples of **capital**:
 - (a) machinery, office computer, printing press
 - (b) manual tools, sea, banana plantation
 - (c) ambulance, TV set at home, personal watch

3. In a **co-operative**
 - (a) there is the principle of one person having one vote.
 - (b) voting power is according to the number of shares held.
 - (c) all profits are retained by the co-operative itself.

4. The **trading certificate** is issued
 - (a) to retailers and wholesalers.
 - (b) to tradesmen and craftsmen.
 - (c) to public limited companies.

5. The following form part of the **public sector** of the Maltese economy:
 - (a) the Police Corp, the Maritime Authority, Go plc
 - (b) Simonds Farsons Cisk plc, HSBC (Malta) plc, Bank of Valletta plc
 - (c) Enemalta Corporation, Water Services Corporation, the Armed Forces

6. The following are business functions, **except**
 - (a) Research and Development, Finance, Marketing
 - (b) Purchasing, Personnel, Production Department
 - (c) Purchasing Department, Profits, Legal Department

7. An **organization chart** shows
- (a) whether the firm is decentralised or centralised.
 - (b) the internal structure of an organisation.
 - (c) the contacts that the firm has with other firms.
8. A manual worker has become redundant because work has become automated. This is an example of
- (a) technological unemployment.
 - (b) cyclical unemployment.
 - (c) seasonal unemployment.
9. An **accountant** is responsible to
- (a) determine what will be the workers' wage rate.
 - (b) keep records of the organisation's transactions.
 - (c) determine which workers should be promoted.
10. **Demand** may be defined as
- (a) the amount of a good or service that producers are willing and able to produce.
 - (b) the amount of a good or service that consumers are willing and able to buy.
 - (c) the amount of a good or service that shopkeepers are willing and able to stock.

SECTION B

[20 marks]

ANSWER ALL QUESTIONS IN THIS SECTION.

Each question carries 2 marks. Answer in the space provided under each question.

1. What is a **mixed economy**?

2. What is the **span of control**?

3. Define a **laissez-faire style of management**.

4. Which are the **seven Ps of the marketing mix**?

5. What does the **product life cycle** show?

6. What does the term **Just-In-Time (JIT)** mean as used in stock control?

7. What do you understand by **copyright**?

8. What is a **pie chart**?

9. What is **commercial bank**?

10. Define **division of labour**.

SECTION C

[40 marks]

ANSWER BOTH QUESTIONS IN THIS SECTION.

Answer these questions on the foolscaps provided. Each question carries 20 marks.

Question 1 – Read the following passage and then answer the questions that follow:

Peter is a tailor. He works on his own and sews jeans which he sells to a Monti hawker. Peter knows that his jeans are made of good material, they are well sewn and of an attractive style. Yet, he thinks he can sell more. His wife, Jane, told him that if he branded his jeans he would increase sales. He can then advertise his products and sell in clothes shops. He accepted his wife's advice and sales increased. However, to produce more jeans he has to employ some workers, buy more sewing machines and convert his car garage into a workshop. To do all this he needs additional finance to pay for the machines, to pay the workers' wages and to pay for the material. He is uncertain whether to take a loan or to get a bank overdraft.

- (a) What type of business is Peter's business? (1 mark)
- (b) Mention one advantage and one disadvantage of such a business as Peter's. (2 marks)
- (c) In which stage of production is Peter working? (1 mark)
- (d) Jane told Peter to brand his jeans. What does this mean? (2 marks)
- (e) State one way how branding may help a firm to increase its sales. (2 marks)
- (f) Explain to Peter the difference between a **loan** and a **bank overdraft**. In your answer indicate for which purpose is each used. (6 marks)
- (g) Mention three other sources of finance, *besides loans and overdrafts*, that a firm could use and in each case say whether it is an internal or an external source. (6 marks)

Question 2 – Read the following passage and then answer the questions that follow:

A local firm needs to employ more workers and so needs to advertise for this vacancy. The HR department prepared the job description and the job specification and the advertising campaign was launched. Soon applications started to arrive.

- (a) What does the abbreviation HR stand for? (2 marks)
- (b) Explain briefly the role of the HR department in a business organization. (2 marks)
- (c) What is the job description? (2 marks)
- (d) What is the job specification? (2 marks)
- (e) Mention two ways how a firm can publicise and advertise its vacancies. (2 marks)
- (f) Besides an application, an applicant for a job is usually asked to send a self-made document about him/herself. What is this document called? Mention two (2) items that it contains. (4 marks)

- (g) Mention four elements that the document referred to in (f) above contains. (4 marks)
- (h) Not all applicants can be accepted. What is the process by which applicants are accepted and others rejected called? (1 mark)
- (i) How are usually the successful applicants selected? (1 mark)

SECTION D

[20 marks]

ANSWER ONE QUESTION FROM THIS SECTION.

Write your answer on the foolscaps provided. Each question carries 20 marks.

1. An important activity within a firm is communication.

- (a) What is the aim of the communication process? (2 marks)
- (b) What is the difference between one-way communication and two-way communication? (2 marks)
- (c) A firm may need both internal and external communication. Mention two forms of internal communication and two forms of external communication. (4 marks)
- (d) Clearly explain the difference between verbal and non-verbal communication, giving an example of each. [Show clearly whether the example is of verbal or of non-verbal communication.] (6 marks)
- (e) In the communication process there could be some problems which interfere with the process. Clearly explain three of them. (6 marks)

2. One of the basic functions of any firm is production.

- (a) What do you understand by the term production? (2 marks)
- (b) Why is production an important activity for any economy? (4 marks)
- (c) Explain the following types of production:
(i) job production;
(ii) batch production;
(iii) mass production. (6 marks)
- (d) What are progress chasers and quality controllers? (4 marks)
- (e) Explain why quality is an important feature of production. (4 marks)