



DEPARTMENT OF
EDUCATION

LOWER SECONDARY
SCHOOL
CERTIFICATE
EXAMINATIONS
(LSSCE)

**BUSINESS
STUDIES**

Wednesday

2nd October 2013

Time allowed: 3 hours

**Candidates are advised
to fully use the time
allocated**

BS

INSTRUCTIONS TO CANDIDATES:

(To be read out by the external invigilator before the start of the examination)

There are **46** questions in this paper worth **50** marks. Attempt ALL questions even if you are not so sure of some of the answers.

The Examination is divided into three parts:

PART A: Multiple Choice Test (Questions 1 to 25)

PART B: Short Answer Question (Questions 26 to 45)

PART C: Extended Response (Questions 46)

The Answer Sheet is part of the Examination Booklet. Take out the middle pages and remove the Answer Sheet by tearing along the perforation. You may use the blank sheet for rough work.

Write your candidate number, name and school in the space given on the **Answer Sheet**.

For each question in **PART A (Questions 1 to 25)** choose the best answer by writing the letter A, B, C or D in the space provided on the **Answer Sheet**.

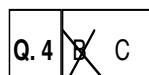
For each question in **PART B (Questions 26 to 45)** work out the answer and write the answer in the space provided on the **Answer Sheet**.

For each question in **PART C (Questions 46 to 50)** write your answers in the space provided on the **Answer Sheet**.

If you find a question very difficult, do **not** spend too much time thinking about it. Leave the question out and go on with the rest of the paper. If you have time in the end, return to the difficult questions and think about them more carefully.

Write your answers in **BLUE** or **BLACK** ink (pen or biro).

If you decide to change an answer, make your correction as shown below so that it is clearer to the markers what your final answer is. Do **NOT** use correction fluid on your answer sheet.



Hand in **BOTH** the Answer Sheet and the papers used for rough work at the end of the examination.

Extra time will NOT be allowed to complete the examination under any circumstances.

Penalty for cheating or assisting to cheat in national examinations is non-certification.

**DO NOT TURN OVER THIS PAGE AND DO NOT
WRITE UNTIL YOU ARE TOLD TO START.**

QUESTION 5

The term *marketing* refers to the range of interrelated activities. These key marketing interrelated activities are referred to as *marketing mix* and it consists of the four 'Ps'.

Which of the following has the correct four 'Ps'?

- A. Product, place, price, promotion.
- B. Price, promotion, people and place.
- C. People, promotion, pay and price.
- D. Promotion pays, place and price.

QUESTION 6

A businessman transports his goods in his truck two times a week from Lae to Madang. He employs a driver and five other staff.

What type of insurance will this businessman pay for his employees?

- A. Accident
- B. Product Liability
- C. Motor Vehicle
- D. Workers Compensation

QUESTION 7

What is the job of an insurance broker?

- A. Preparing Insurance claims.
- B. Taking out Insurance claims.
- C. Providing advice on insurance policies.
- D. Discussing premiums and work related questions.

QUESTION 8

Four people will be employed. They will be paid K100 each per fortnight. Two of the four employees will be responsible for transporting and selling while the other two will be specialised in feeding the chicken and cleaning the poultry. There will be four batches each round.

Which of the main components of the business plan does the above description come under?

- A. Executive summary
- B. Operation
- C. Marketing
- D. Finance

For Questions 13 to 15, refer to the information below.

The table contains five main consumer responsibilities that are not in their proper sequence.

I	Environmental awareness	Knowing what future effects will have on the environment due to consumption.
II	Action	Getting the best deal on goods and services
III	Solidarity	What consumers can do to protect each others interest
IV	Critical awareness	Be aware on price and quality of goods and services
V	Social concern	Must be aware of the impact it will have on others

QUESTION 13

Which list contains the proper sequence of consumer responsibilities?

- A. II, IV, I, V and III
 B. IV, III, I, II and IV
 C. I, IV, II, III and V
 D. IV, II, V, I, and III

QUESTION 14

Joe was with his friends when he bought a mobile phone from the street at a cheap price and later found out that most functions of the phone were not working.

Which consumer responsibility did Joe and his friends fail to follow?

- A. I B. II C. III D. IV

QUESTION 15

Many people carelessly throw rubbish everywhere.

Which of the following consumer responsibility is not followed?

- A. I B. II C. IV D. V

QUESTION 16

Which of the following shows a good example of drawings in book keeping?

- A. Shopkeeper removed outdated goods from the shelves.
 B. Customer was allowed goods on credit.
 C. Business owner got soft drinks without paying.
 D. Driver of the business collected the damaged goods.

QUESTION 17

When calculating the selling price, retailers are allowed to base it on the total cost of getting goods into store. The cost is known as *cost into store*.

Which of the following makes up the *cost into store*?

- A. Wholesale, the cost of freight and insurance.
- B. Insurance, retailer cost and cost of freight.
- C. Insurance cost of freight, and bank interest.
- D. Bank interest, wholesale cost, and retailer cost.

QUESTION 18

Mary Jane discovers a new herbal medicine that can cure people with HIV/AIDS.

Which of the following is the most appropriate brand name to register?

- A. Dr. M. Jane Pty Ltd.
- B. J.M HIV/AIDS.
- C. J.M Herbal Med.
- D. Jane Mary Inventor.

QUESTION 19

A business has the following information for the week.

Sales K1 500, purchases K1000, refunds in K55, purchases K600, sales K800,
Shortage K20, refunds out K75

What is the total purchase at the end of the week?

- A. K2 100
- B. K1 600
- C. K1 545
- D. K1 525

QUESTION 20

Lilly is categorising her target markets into age groups, level of income and social groups.

What is this process called?

- A. Market distribution
- B. Market segmentation
- C. Market share
- D. Customer break up

QUESTION 21

Which of the following is the best ethical business practice?

- A. Effective dealing with customer complaint.
- B. Giving more attention to new customers than old customers.
- C. Repaying slowly to customers whom the business owes money.
- D. It's better to deal with customers after hours.

QUESTION 22

Jack Fren wrote to his teacher that he would not attend classes due to heavy rain.

Who is the sender?

- A. Heavy rain
- B. Jack Fren
- C. The teacher
- D. The class

QUESTION 23

Kosky Mero assigned certain responsibilities to his family members. He assigned his wife to look for food, the son to get firewood, the daughter to fetch water, and finally him, to go fishing.

Kosky Mero's action in the passage above is an example of

- A. privatization.
- B. specialisation.
- C. production.
- D. division of labour.

QUESTION 24

LNG project can be best classified under _____ production.

- A. primary
- B. secondary
- C. tertiary
- D. service

QUESTION 25

A construction company purchases heavy machinery for K50 000 only after negotiation and agreement. The selling price for the machine is K250 000.

The transaction above is a very good example of

- A. trade discount.
- B. hire purchase.
- C. leasing finance.
- D. external equity.

Part B: Short Answer (Questions 26 to 46) 20 MARKS

For each question, work out the answer and write your answers in the space provided on the Answer Sheet.

QUESTION 26

Items such as Omo, Colgate, Bilas Bread and Nokia are examples of _____ names in the market.

Questions 27 to 29, refer to the article below**Fake radiation claim probed**

Tokyo: Japan's Labour Minister yesterday ordered an investigation into claims that the subcontractors at the crippled Fukushima nuclear plant told workers to lie about their radiation exposure.

Yoko Komiayama told a press briefing in Tokyo that she had launched a wide-ranging probe including checks on a firm at the center of allegations, which have appeared in Japanese media in recent days.

"This is an issue that shakes the foundation of the management of workers' radiation exposure," the minister said. "We will deal with it in a strict manner if any laws were broken. (If true) this is extremely regrettable," she added. __AFP

Source: The National, Page 20 27 July 2012

QUESTION 27

How will radiation exposure affect Japanese export?

QUESTION 28

The probe radiation claim confirms the Japanese Government acknowledges social _____ and applying ethical principles.

QUESTION 29

'Subcontractors at the crippled Fukushima nuclear plant told workers to lie about their radiation exposure.'

This was done to protect the company's _____.

QUESTION 30

The expanding folder can be expanded by stretching it out.

It is known as the concertina or the _____ file.

QUESTION 31

What is the proper name given to a person who writes out a cheque?

QUESTION 32

What is the name of the document that is used to put money into the bank account?

For questions 33 to 34, refer to the information below.

<u>Statement of Income and Expenditure for Joe's Small Business for the 1st week of March 2013.</u>		
<i>Income</i>		K
Sales		1000
<i>Less Expenditure</i>		
Cordial (10 x 2 litre)	120	
Plastic cups (10 dozen)	200	
Flour bag (10 Kg)	_____?	
Sugar (2 bales)	100	
Snacks Biscuit (10 x Carton)	300	_____?
<i>Profit</i>		198

QUESTION 33

What is the total expenditure?

QUESTION 34

How much did Joe spend on a 10 kilogram of flour bag?

QUESTION 35

A new company that is formed when large international companies go into business with the government or nationally owned business is called a _____.

QUESTION 36

The temporary file suitable for separating papers coming in and going out of the business is called a _____.

QUESTION 37

Name one of two main types of microform that is used for recording information by big businesses.

For Questions 38 to 40, refer to the list of transactions below.

January 1	Stock value of K3 000 in the business.
2	Bought more stock worth K2 500.
3	Sold stock worth K 2 000 for cash.
4	Paid wages for K 300.
5	Sold stock valued at K2 500 for cash. Refund out K200
6	Drawing K 100 by the owner. Stock value of K 2 000 left as closing stock.

QUESTION 38

Calculate the Cost of Goods Sold.

QUESTION 39

What is the total sale?

QUESTION 40

Calculate the net profit/loss.

QUESTION 41

A trading business has the following information.

Total running cost	K 2 000
Total cost of goods	K 20 000
Owners expected profit	K 2 000

What is the percentage mark up?

QUESTION 42

A bank statement received at the end of the month shows a balance of K500. However, a receipt of K50 and a payment of K60 was not recorded in the bank statement.

A bank fee of K5 was not shown in the business bank account.

What would be the balance as per bank account in the bank reconciliation statement?

QUESTIONS 43

The increase in the price of goods can be best described as_____.

QUESTION 44

Name the process of forgoing some goods in order to enjoy benefits of others.

QUESTION 45

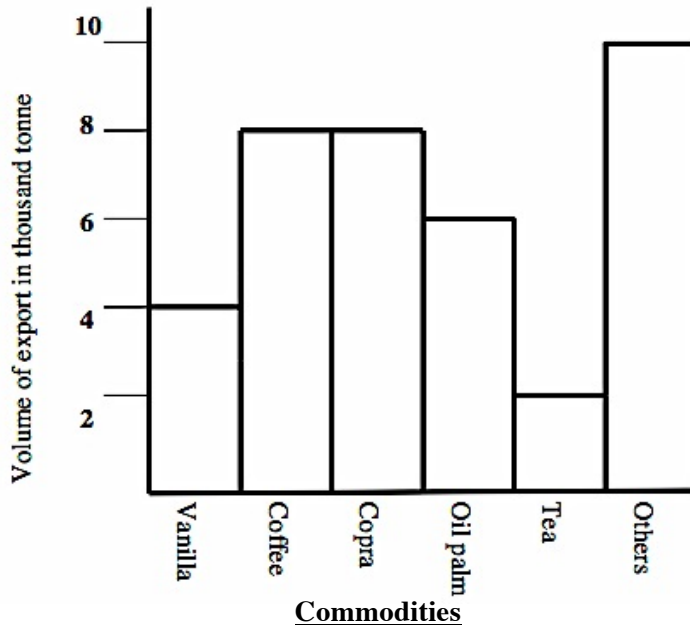
Aiyopa from Raicoast brought clay pot to exchange with pig task, which Pato had brought from Rihona. However, Pato wanted to exchange his pig task for a conshell. Aiyopa had to look for some one who had the pig task and wanted the clay pot.

What is the problem uncouncted in this situation?

PART C: Extended Response**(5 MARKS)**

For questions 46, refer to the graph below and answer the questions that follow.

Export of commodities in 1990



- (I) How many tonnes of coffee were exported in 1990?
- (II) If the price of coffee was K500 per tonne, how much in total was received from export?
- (III) If the price of Oil palm was K200 per tonne, how much in total was received from export?
- (IV) Assume the price of vanilla was K1 000 per tonne and the exchange rate was K1 = A\$0.50 in 1990.
What was the price in Australian Dollar per tonne?
- (V) How much in total Australian Dollar did Cornie pay to a vanilla exporter from Papua New Guinea if exchange rate was K1 = A\$0.50 and the price of vanilla was K 500 per tonne.

END OF EXAMINATION

**LOWER SECONDARY SCHOOL CERTIFICATE
EXAMINATION – 2013**

BUSINESS STUDIES – ANSWER SHEET

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MARKER 1

YEAR		PROV.		SCHOOL			CAND No.		
1	3								
NAME									
SCHOOL									

PART A: (QUESTIONS 1 to 25) Write the letter of your answer next to each question number below.

1	
2	
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25	

PART B: (QUESTIONS 26 to 45)

Write your answer next to each question number below.

26	
27	
28	
29	
30	

31	
32	
33	K
34	K
35	

36	
37	
38	K
39	K
40	K

41	
42	K
43	
44	
45	

PART C: (QUESTION 46) Write your answer next to each question number below.

I	
II	K
III	K
IV	A\$
V	A\$

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MARKER 2

DO NOT WRITE ON THIS PAGE

YOU MAY DO YOUR ROUGH WORK ON THIS PAGE

CAREFULLY TEAR ALONG THIS PERFORATION

YOU MAY DO YOUR ROUGH WORK ON THIS PAGE