



DEPARTMENT OF
EDUCATION

LOWER SECONDARY
SCHOOL CERTIFICATE
EXAMINATIONS

BUSINESS STUDIES

Wednesday
01st October 2014

Time allowed:
3 hours

Candidates are advised to fully
utilise the allocated time

BS

INSTRUCTIONS TO CANDIDATES:

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

There are 50 questions in this paper. 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 (Questions 1 to 25)

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

PART C: Extended Response (Question 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.

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

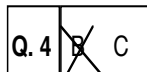
For each question in **PART B (Questions 26 to 45)** work out the answer and write the answer in the space provided on the **ANSWER SHEET**.

For the question in **PART C (Question 46-50)** write your answer in a short paragraph 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 (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.**

PART A: MULTIPLE CHOICE (QUESTIONS 1 to 25) 25 MARKS

Choose the best answer by writing A or B or C or D in the space provided on your Answer Sheet.

QUESTION 1

Mrs. Ambo is a local baker. She bakes scones and sells every morning. On a Friday she went to SVS Supermarket and asked for the price list of goods she needed. On the invoice, she noticed the statement '10% GST Inclusive' of which the total amount was K300.

What was the amount on the invoice before GST?

- A. K 200 B. K 250 C. K 270 D. K 300

QUESTION 2

Jackie Chan is a well-known Chinese Movie actor.

What right has he got that protects his movie productions to be sold by any other person?

- A. Patent B. Copyright
C. Brand D. Trademark

QUESTION 3

A wise consumer will always try to satisfy his or her needs before wants.

Examples of basic needs are

- A. food shelter and medicine. B. food, shelter and clothing.
C. food, shelter and car. D. food, water and clothing.

QUESTION 4

Yokomo wished to establish a poultry project in his village last year. Before the start, he did an investigation to get his business name 'Yokomo Poultry' paid the registration fee and the authority that is responsible for the registration. He is now ready to venture his projects after all necessary information is obtained.

Name the authority, which Yokomo will see to register his project.

- A. Ombudsman Commission
B. Internal Revenue Commission
C. Investment Promotion Authority
D. Independent Consumer Competition Commission

QUESTION 5

If the selling price for an existing business is greater than the value of its physical assets, what would be the difference?

- A. Surplus B. Profit
C. Trade-in D. Goodwill

QUESTION 6

Beatrice Rauna registered her business as Rauna Liquor in Popondetta.

What license must she obtain from Oro Provincial Government?

- | | |
|-----------------------|-----------------------|
| A. License to work | B. License to trade |
| C. License to operate | D. License to inspect |

QUESTION 7

A form of overseas letter with out an envelope is called a/an_____.

- | | |
|--------------------|---------------|
| A. registered mail | B. aerogramme |
| C. domestic mail | D. letter |

QUESTION 8

On receiving the cheque, the seller sends a _____to indicate the amount received.

- | | |
|----------------|----------------------|
| A. credit note | B. receipt |
| C. invoice | D. remittance advice |

QUESTION 9

Filing system often being used for storing plans and drawings is called the_____.

- | | |
|----------------------|-------------------------|
| A. vertical filing | B. centralized filing |
| C. horizontal filing | D. decentralized filing |

QUESTION 10

Which of the documents listed below indicate credit transaction?

- | | |
|------------|-----------------------|
| A. Receipt | B. Cheque butt |
| C. Invoice | D. Cash register slip |

QUESTION 11

Goods or money taken out of the business by the owner will decrease

- | | |
|-------------------|------------|
| A. cash at bank. | B. sales. |
| C. owners equity. | D. profit. |

For Questions 12 and 13, refer to the following information.

Bank Statement as issued on March 6 2013

Date	Particulars	Debit	Credit	Balance
1/2/12	Opening balance			2 000
4/2/12	RH Trading Chq 672	1 500		500
10/2/12	Wages Chq 673	200		300
11/2/12	Bank fee	50		250
11/2/12	Sales CRR		3000	3 250
12/2/12	IBD Interest		800	4050
18/2/12	Rent J Rasi Chq 674	100		3 950
19/2/12	RH trading Chq 675	2 000		1 950
26/2/12	Sales CRR		4 000	5 950
28/2/12	Wages Chq 676	300		5 650

Cashbook-Joe Trading for the month of February 2013

Date	Particulars	Receipts	Payments	Balance
1/2/12	Opening balance			2 000
3/2/12	Purchases Chq 672		1 500	500
8/2/12	Sales Receipt CRR	1 000		1 500
9/2/12	Sales Receipt CRR	3 000		4 500
9/2/12	Wages Chq 673		200	4 300
16/2/12	Rental payment Chq 674		100	4 200
17/2/12	Purchases Chq 675		2 000	2 200
24/2/12	Sales Receipt CRR	4 000		6 200
26/2/12	Wages Chq 676		3 00	5900

QUESTION 12

What does the transaction '*RH Trading Chq 672*' mean in the bank statement above?

- Joe paid for purchases valued at K 1 500 with a cheque number 672.
- Joe received a cheque valued K 1 500 from RH Trading with cheque number 276.
- Joe sold stock to RH Trading and received cheque number 672 valued at K 1500.
- Joe paid RH Trading for the provision of transportation with a cheque number 276 valued at K1 500.

For Questions 18 and 19, refer to the following information.

Mofa is a fresh vegetable producer from Bena in Eastern Highlands Province. She started her business in January 2000 with a start up capital of K7 000. After 6 months of trading, she made a profit of 50%.

QUESTION 18

What was her total income after 6 months?

- A. K3 500 B. K7 500 C. K9 500 D. K10 500

QUESTION 19

Suppose she made a loss of 20%, what would be her income after 6 months?

- A. K3 500 B. K5 600 C. K6 600 D. K10 500

QUESTION 20

The objective of monetary policy is to

- A. increase government spending. B. raise taxes.
C. supply commercial bank with money. D. maintain price stability.

QUESTION 21

Each person who takes out insurance pays a/an_____.

- A. cover B. premium C. insurance D. compensation

QUESTION 22

Which of the following is irrelevant on the deposit slip?

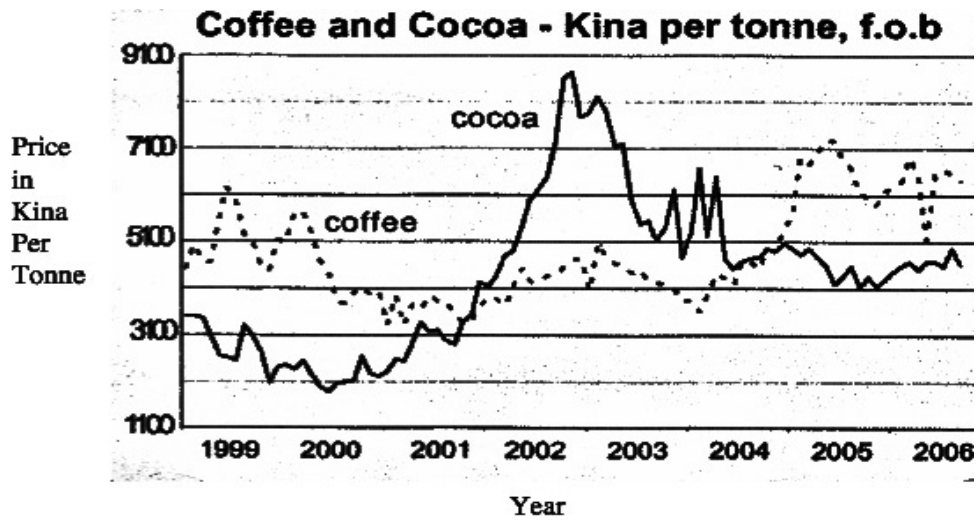
- A. Date of deposit B. Date of withdrawal
C. Account name and number D. Total amount deposited

QUESTION 23

What is the name of the document that is normally written by someone who knows you very well?

- A. Application letter B. Curriculum Vitae
C. Formal letter D. Reference

For Questions 24 and 25, refer to the graph below.



Source: *Unknown*

QUESTION 24

How much cocoa did Papua New Guinea supplied in 2002?

- A. K4 100 B. K5 000 C. K8 100 D. K8 900

QUESTION 25

The graph shows a decline in the price of cocoa because of

- A. increased supply of cocoa by other countries.
 B. decreased supply of cocoa by other countries.
 C. equal supply of cocoa by other countries.
 D. constant supply of cocoa by other countries.

PART B: SHORT ANSWER (QUESTIONS 26 to 45) 20 MARKS

Write your answer(s) for each question in the space provided on the Answer Sheet.

QUESTION 26

Matt Locust is an African who applied to PNG_LNG to work as a business management consultant. He was asked to be interviewed by the chairman in the Grand Papua Conference room in Port Moresby.

In this interview, the PNG-LNG Chairman is the _____.

QUESTION 27

What is the name given to the pocket sized telephone used everywhere in Papua New Guinea?

QUESTION 28

A carton of Tinned fish	K56.
Transport cost	K12
Mark up	10%

What will be the selling price of the carton?

QUESTION 29

Making of goods and provision of services is referred to as _____.

QUESTION 30

What type of business communication is Joe using when he uses a sign language to stop his subordinate from hopping on a truck going for business runs.

QUESTION 31

Anna Maria's Trading

Balance sheet as at 1st May 2013

<u>Asset</u>	K	<u>Liability</u>	K
Bank	3 500	Bank loan	2 000
Stock	5 000	Creditors	1 500
	_____	Capital	<u>5 000</u>
	<u>8 500</u>		<u>8 500</u>

On May 2013, Anna repaid her loan of K1 500.

What will the new balance be on the document shown above?

QUESTION 32

In big companies like PNG_LNG, which department is responsible for recruitment and interviews?

QUESTION 33

You are provided information from a small business called Lausa Trading as shown below.

<u>Lausa Trading</u>	
Opening stock 01/01/123	K18 000
Closing stock 31/12/13	K9 000
Purchases	K72 000
Sales Revenue	K120 000

What is the cost of goods sold?

QUESTION 34

A retailer needs to add certain percentage to the goods he sells in order to make profit. What is the correct word for certain percentage that is added to the goods before sale?

For Questions 35 and 36, refer to the following statement.

Apollo Denis owns a retail outlet. Jessica bought goods from Apollo's store worth K600. Apollo allowed 20% discount to Jessica on her total expense.

QUESTION 35

How much is the discounted amount?

QUESTION 36

How much would Jessica pay after the discount?

QUESTION 37

Consumers need to make informed decisions about the product they_____.

For Questions 38 and 39, refer to the information below.

Exchange Rate Table. (What Your Kina is worth)

USD	0.4825	PHP	20.19
AUD	0.4639	JPY	37.93
CAD	0.4866	NZD	0.6019
CHF	0.4729	SGD	0.6056
GBP	0.3073	SDR	0.3199
HKD	3.7424	KRW	550.63
EUR	0.3937	FJD	0.8600

Source: Post Courier, 23 July 2012.

QUESTION 38

Kongo coffee exports K3 000 worth of coffee beans to USA.
How much will this exporting company receive in USA Dollar?

QUESTION 39

If you were to list the foreign currencies starting from the highest value to the lowest value compared against the Kina, what foreign currency would you list at the top. (Write your answer in symbol form as shown in the table)

QUESTION 40

A written summary of what has been discussed at the meeting is known as_____.

QUESTION 41

What is the name of the price at which demand and supply are equal?

QUESTION 42

What does 'bad debt' do to the profit of a business?

QUESTION 43

Before reporting any matters regarding damaged goods to any legal authorities, what must be done first? (Answer in not more than five words)

For questions 44 and 45, refer to the Revenue Statement below.

<u>Mai Trading Business</u>			
<u>Revenue Statement as at 23 September 2012.</u>			
	K	K	K
Sales			1000
Stock at start		100	
Add Purchases		<u>400</u>	
		500	
Less Stock at End		<u>150</u>	
Cost of Sales			350
Gross profit			_____
Less Overhead Expense			
Rent	250		
Electricity	_____		
Garbage/Rubbish	50		_____
Net Profit			=====

QUESTION 44

If the total overhead expense were K600, how much would be the electricity bill?

QUESTION 45

What is the net profit if there is no electricity bill?

PART C: EXTENDED RESPONSE 5 MARKS

For Question 46, read the passage below and answer the questions that follow

Ambai Kembra intended to start a PMV business in Simbu Province. The price of the vehicle cost K15 000 and she only had K11 000. Therefore, she intends to obtain a bank loan from BSP bank to cover for the outstanding. The bank policy states that there is 5% interest charged on every K1 000 per year.

- (i) Calculate Ambai Kembra's outstanding amount.
- (ii) Find the interest of K1000 per year.
- (iii) How much will be the total interest for one year?
- (iv) How much in total will she pay to the bank after one year?
- (v) Assume that 10% had been charged on every K 1 000. How much in total would she have paid to the bank after one year?

END OF EXAMINATION

**LOWER SECONDARY SCHOOL CERTIFICATE
EXAMINATION-2014
BUSINESS STUDIES – ANSWER SHEET**

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MARKER 1

YEAR		PROV.		SCHOOL			CAND No.		
1	4								

NAME	
SCHOOL	

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MARKER 2

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

1	
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25	

PART B: (QUESTIONS 26 to 45) Write your answer next to each question number below.

26	
27	
28	K
29	
30	

31	K
32	
33	K
34	
35	K

36	K
37	K
38	USD
39	
40	

41	
42	
43	
44	K
45	K

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

(i)	
(ii)	
(iii)	
(iv)	
(v)	

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