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**	**(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.

Write your candidate number, name and school name in the space given on the **ANSWER SHEET**.

For each question in **PART A**, choose the correct answer by writing the letter A, B, C or D in the space provided on the **ANSWER SHEET**.
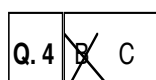
For each question in **PART B** and **PART C**, work out the answer and write the answer in the space provided on the **ANSWER SHEET**.

If you find a question very difficult, do not spend too much time thinking about it. Skip the question 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 clear to the markers what your final answer is. Do NOT use correction fluid on your answer sheet.

Example

Q. 4	B̶	C

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   (QUESTIONS 1 to 25) 25 MARKS

For each question, choose the correct answer and write A, B, C or D in the space provided on the ANSWER SHEET.

QUESTION 1

Which of the following is an example of government joint venture in Papua New Guinea?

A. Porgera Gold Mine

B.   PNG power

C. Collins & Leahy

D.   Investment Corporation

QUESTION 2

Trade will only eventuate when there is

A. reasonable price marked on the goods.

B. more money circulating.

C. enough buyers and sellers around.

D. surplus of a particular product.

QUESTION 3

Government owned businesses are run by the

A. Head of Department.

B.   Chief Executive Officer.

C. Board of Director.

D.   General Manager.

QUESTION 4

Which of the following is NOT an example of personal savings?

A. Accidents

B.   Bride Price

C. Building a house

D.   Gambling

QUESTION 5

A restriction placed on amount of goods imported is called _____.

A. tax exemption   B.   tariff   C.   quota   D.   ban

QUESTION 6

When drawing a business plan, raw materials needed and numbers of suppliers are discussed under

A. financial plan.

B. suppliers plan.

C. production plan.

D. executive summary.

QUESTION 7

Which of the following is NOT the quality of the entrepreneur?

A. Enjoy freedom to operate and make independent decisions.

B. Have confidence in their own ability to become successful.

C. Entrepreneurs are able to motivate others to produce results.

D. Entrepreneurs are not prepared to accept any failures if it happens.

QUESTION 8

What is the name of the insurance policy that insures the sea cargo for one journey only?

A. A Time Policy

B. Open Policy

C. Voyage Policy

D. Marine Cargo Policy

QUESTION 9

Which of the following is one of the factors used to identify the size of the business?

A. Size of employment staff

B. Possession of a certain skill

C. Changes in price of goods sold

D. Size of family owning a house

QUESTION 10

When goods are sold on credit, it is recorded in the _____.

A. Cash Book

B. Purchase Journal

C. Sales Journal

D. Stock Book

QUESTION 11

What is subsistence living?

When people produce mainly

A. for trading business.

B.   to accomplish an obligation.

C. for village settings.

D.   for self-consumption.

QUESTION 12

Total Receipt K 4 000
Total Purchase K 1 500,
Opening Inventories K1 500
Closing inventories K 200,
Other expense K 500,
Drawing K50.

What is the net Profit?

A.   K 650   B.   K 700   C.   K 2 800   D.   K 3 200

QUESTION 13

The final step in marketing of a product is to

A.   pay for the goods by the customer.

B.   make payment to the customer.

C.   deliver the goods to the customer.

D.   identify next available customer.

QUESTION 14

Maria never stops looking out for new opportunities while accepting failures that occurs in her sales of chicken and bio disk water.

Which of the following qualities does Maria display in the statement above?

A.   Risk taking B.   Leadership   C.   Independence   D.   Self discipline

QUESTION 15

Which of the following document is sent before the other documents?

A. Order form   B.   Credit note   C.   Quotation   D.   Receipt

For Questions 16 to 18, refer to the information below.

Stock Record Sheet

Description of good	1st January 2013			30 January 2013		
	Quantity	Cost Per Unit (K)	Value (K)	Quantity	Cost Per Unit (K)	Value (K)
Ramu Sugar 1 Kg	10	4.00	40.00	1	4.00	4.00
Ramu Sugar 500g	8	3.00	24.00	2	3.00	6.00
Snax Biscuits	20	1.00	20.00	__	1.00	00
Ox & Palm 200g Red	30	8.00	240.00	10	8.00	80.00
Ox & Palm 200g blue	14	6.00	84.00	4	6.50	26.00
Cooking Oil 500 ML	30	4.00	120.00	20	4.00	80.00
Roots Rice 1Kg	10	4.50	45.00	__	4.50	00
Roots Rice 500g	15	3.00	45.00	__	3.00	00
			X			Y

QUESTION 16

What is the value of X?

A.   K 630   B.   K 618   C.   K 422   D.   K 196

QUESTION 17

Find the value of Y.

A.   K 196   B.   K 422   C.   K 618   D.   K 630

QUESTION 18

What would be the value of 500 gram roots rice if the cost per unit were K5?

A.   K60   B.   K 75   C.   K 80   D.   K 90

QUESTION 19

Which of the following method of transport is MOST suitable for carrying light and valuable items?

A.   Helicopter   B.   Pipeline

C.   Air   D.   Inland waterways

For Questions 20 and 21,refer to the information below.

  Different Price of a chicken kwikai packet in stores A, B, C, and D.

A

Buy two Kwikai
Packet @ K13
each and get K4
discount

B

Kwikai Packet

Was K13

Now K10

C

Buy Three Kwikai
Packet @ K13 and get
one free

D

Kwikai Packet @
K12.95 only at Stop
and Shop

QUESTION 20

Which of the stores above is <u>MOST </u>likely to sell more kwikai packet than others?

QUESTION 21

Regina needs four packets of chicken kwikai to make stew rice for her sales.

Which store is she <u>MOST</u> likely to buy from?

QUESTION 22

Which of the following occurs before the others in a meeting?

A.   Resolution   B.   Motion   C.   Amendment   D.   Casting vote

QUESTION 23

Which of the following make sure some land are set-aside for industrial purposes, commercial purposes and residential use?

A.   Environmental Planning Act   B.   Laws against Pollution

C.   Town Planning Rules   D.   Licensing Regulation

QUESTION 24

A trade store sold goods worth K 500 on credit. A day later, the customer returned goods worth 20% of cost due to damages done.

How much of the total sales were returned?

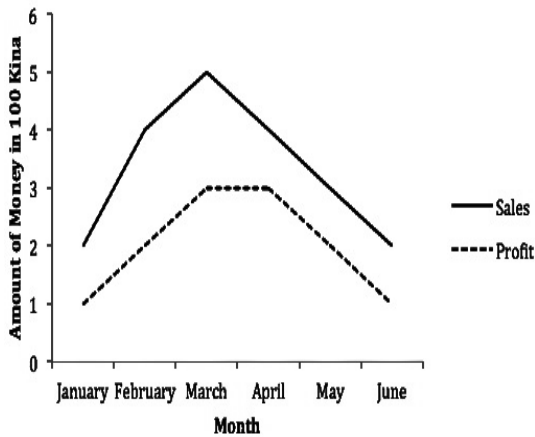A.   K 500   B.   K 100   C.   K 50   D.   K 10
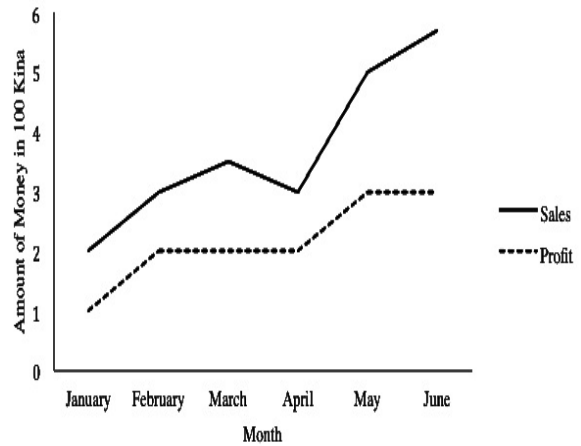
QUESTION 25

Agatha is given the following reports on profit and sales in the form of graph. The four graphs represent the four different products that she sold in the first six months of the year.

You help her identify the product that is performing very well by studying the reports presented on the graphs on different products/items.
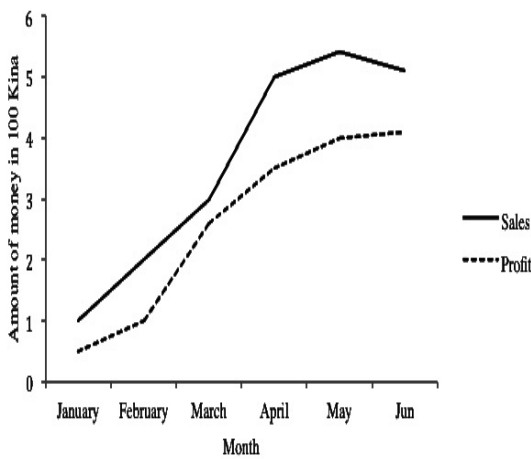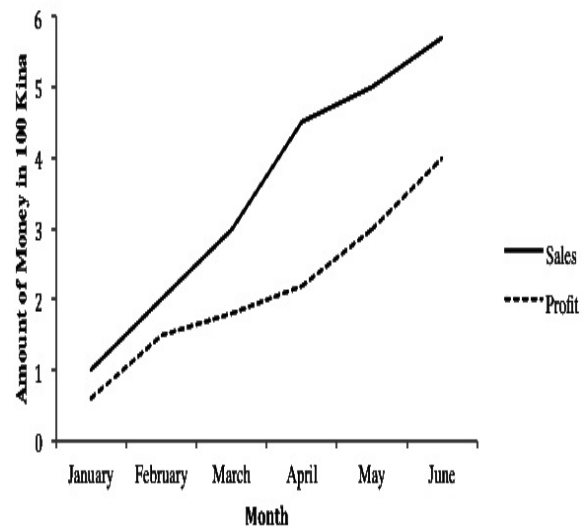
A

Sales and Profit Performance for Bio Disc Water

B

Sales and Profit Performance of Wina Light Product

C

Sales and Profit Performance for Chicken Poultry Business

D

Sales and Profit Performance of Scone Business

PART B: SHORT ANSWERS   (QUESTIONS 21 to 45)   20 MARKS

For each question, work out the answer and write the answer in the space provided on the ANSWER SHEET.
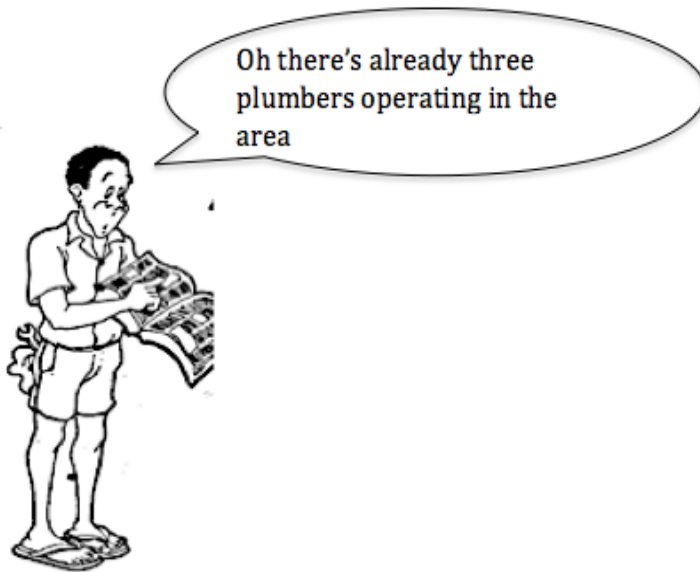
QUESTION 26

Who pays for the cost of promoting a new franchise business?

QUESTION 27

What is the term used to refer to a situation where more machines are used in production than

human labor?

QUESTION 28

What is the business idea in the cartoon below?

QUESTION 29

The chief executive officer of the Green Real Estate called up a meeting with senior managers a day after one of its properties was burnt down.

What type of meeting is this?

For Questions 30 to 32, refer to the information below.

Joe Kata's Personal Budget.

Income	K	K
Fortnightly wage	2500	
Rent Income	1000	
Commission revenue	500	
		4000
Less Expense		
Fixed		
Bus fare for kids	150	
Kids' lunch money	60	
Grocery Good	300	
Electricity	100	
Water	100	
Cable TV	100	
Fuel For Car	150	
Telephone bill	90	
Variable		
Shoes	250	
Clothes	250	
Mobile phones	355	
Medicine	45	
Family contribution	1000	
Total Expenditure		2950
Net Income (Savings)		____

QUESTION 30

What type of budget is shown above?

QUESTION 31

Calculate Joe's total fixed expenses.

QUESTION 32

According to the budget, how much will Joe save?

QUESTION 33

Jane works with the Housing Commission in Waigani. There were applications on housing scheme sent by public servants from other provincial centers piled in her in-tray. She needs to file them using a proper filing system.

Name the filing system that is suitable to use when she arranges them in the order of province.

Questions 34 to 36, refer to the following information.

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

<u>Akapu Trading</u>

Opening Stock 01/01/13	K25 000
Closing Stock 31/12/13	K16 500
Purchases	K30 000
Sales Revenue	K85 000
Purchase Return	K 2 000
Shortage	K 200
Surplus	K 300

QUESTION 34

What is the total purchase?

QUESTION 35

Calculate the cost of goods sold.

QUESTION 36

Find the net profit for Akapu trading.

QUESTION 37

Louisa took out a Motor Insurance Policy in the beginning of the year. She had an accident four

years ago. She was asked on a proposal form if she had any accident in the past and she denied on

the application.

State the principle of insurance Louisa is violating in the passage above.

QUESTION 38

The Head Master of Sokofe Primary school instructed the class teachers to inform their class of the school show that will occur in Four months time. The class teachers then informed their students about it. This school show was approved in the board meeting.

Communication passed in this direction is known as _____communication.

(Write your answer in less than two words)

QUESTION 39

When preparing an income statement, information is extracted from Stock Record Sheet and _____.

(Write your answer in less than two words)

For Questions 40 and 41, refer to the information below.

A carton of Tinned Fish   K 94

Transport cost   K 12

Mark up   10%

QUESTION 40

What will be the selling price per carton?

QUESTION 41

If there are 48 tins, what will be the selling price per tin?

 (Round it off to the nearest toea)

QUESTION 42

A process by which business transaction of a business are recorded is called_____.

(Write your answer in less than two words)

For Questions 43 to 45, refer to the article below.

Local Wine producer seeks government support.

A local wine producer from Jiwaka needs government support for a bigger plant to meet customer demands.

Waghi Food processor Ltd managing director Robert Mundi said the plant produces 4000 liters of wine in a day.

But he said there was greater demand from across the country for the product.

"I need assistance to build a bigger plant, employ more people and build a bigger plant and create many opportunities for the farmers to sell their fruits to the factory," he said.

Mundi said a down stream processing plant is the biggest employer in the province besides tea and coffee plantations.

In the past three years, the Waghi Food Processor Ltd created 100 jobs and marketers for the local farmers in the provinces including neighboring Highlands Provinces. Established in Banz, the producer of mountain fruits buys fruits from the locals and manufactures into wine.

Mundi said fortnightly he spends between K 80 000 to K 100 000 on fruits from Western Highlands, Jiwaka and Chimbu.

The firm buys fruits such as strawberry, elderberry, banana, tamarilo, ginger and lemon to produce five wine flavours. He said this fruits brought in by farmers were organic as no chemicals were involved to grow them.

The wines are sold to the highlands region as well as Lae, Port Moresby and Rabaul by his distributors; Papindo, Pelgen and Rabtrad.

He said from the company's income, up to K 20 000 was paid as wages for the workers.

Source: The National, 14 July 2014

QUESTION 43

How will the establishment of down stream processing affect the level of employment?

(Answer in One word)

QUESTION 44

Level of production for local fruit farmers will _____.

QUESTION 45

How many distributors does Mountain Wine have?

PART C: EXTENDED RESPONSE (QUESTION 46)   5 Marks

For Questions 46(i, ii, iii, iv and v), read the letter below and write your answers in the space provided on the ANSWER SHEET.

                                                    Nenko Afo
                                                    P.O Box 221
                                                    Lae,
                                                    Morobe Province

Galuvo Autoparts

P.O Box 244

Goroka,

E.H.P

My name is Nenko Afo and I am 17 years old. I just completed Grade 10 and am awaiting my certificate. I am writing to express my interest for the position accounts clerk advertised in the Post Courier date 17 April 2014.

Enclosed are my updated Curriculum Vitae and Grade Eight Certificate for your consideration and decision.

Please do call me should there be any query on my phone number.

Nenko Afo

Write down the names of the five missing parts of the letter above.

(I)   _____

(II)   _____

(III)   _____

(IV)   _____

(V)   _____

END OF EXAMINATION

LOWER SECONDARY SCHOOL CERTIFICATE
EXAMINATION – 2015

BUSINESS STUDIES – ANSWER SHEET

MARKER 1

YEAR		PROV.	SCHOOL		CAND No.	
1	**5**					

NAME	
SCHOOL	

MARKER 2

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

1		6		11		16		21	
2		7		12		17		22	
3		8		13		18		23	
4		9		14		19		24	
5		10		15		20		25	

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

26		31	K	36	K
27		32	K	37	
28		33		38	
29		34	K	39	
30		35	K	40	K

41	K
42	
43	
44	
45	

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