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**.
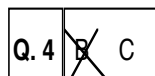
For each question in **PART B** and **PART C**, work out the answer and write the answer in the space provided on the **ANSWER SHEET**.

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 ~~B~~ 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

The bank reconciliation statement shows that balances on both bank statement and chequebook
_____.

A.   agree   B.   disagree   C.   clear   D.   differentiate

QUESTION 2

A PMV operator charges and collects K8.00 from his passengers for providing the service.

What function of money is used in this scenario?

A.   Medium of Exchange   B.   Store of wealth

C.   Measure of value   D.   Means of settling debts

QUESTION 3

Which of the following regulates licensing of business activities?

A.   Goods Act   B.   Minimum wage legislation

C.   Business names Act   D.   Environment Act

QUESTION 4

Which of the following would be the good and ethical business practice?

A.   Avoid customer complaints.

B.   Pay money owed to others as agreed.

C.   Force clients to pay the amounts they owe.

D.   Create aggressive communication channel with employees.

QUESTION 5

The <u>MOST</u> common way to identify market gaps in a business is through _____.

A.   observation   B.   market research

C.   consultation   D.   searching literature

For Questions 6 and 7, refer to the following information.

Items	Kina in Million
Visible export	870
Visible import	950
Invisible export	580
Invisible import	490
Other receipts	50

QUESTION 6

What is the balance of trade?

A.   K 120 million deficit   B.   K 80 million surplus

C.   K 120 million surplus   D.   K 80 million deficit

QUESTION 7

Find the balance on invisible trade.

A.   K 90 million deficit   B.   K 10 million surplus

C.   K 90 million surplus   D.   K 10 million deficit

QUESTION 8

I	Introduce yourself
II	State your experience
III	Source of information on vacancy
IV	Contact details

The information found in the body of the application letter is not in the correct order for the blocked format.

Which of the alternative has the correct order when applying for a job vacancy?

A.   I, IV, II, and III.   B.   II, III, IV, and I.

C.   I, III, II and IV.   D.   IV, II, III, and I.

QUESTION 9

Which of the following is <u>NOT</u> part of the costs that make up the cost-into-store?

A.   Wholesale price   B.   Mark up

C.   Freight cost   D.   Cost of goods purchased

QUESTION 10

The three parties involve in a cheque include

A.   Drawee, bearer, drawer.   B.   Drawer, payee, slip.

C.   Drawee, payee, drawer.   D.   Drawer, payee, bearer.

QUESTION 11

A new firm was established to produce a product that is currently imported. To protect and encourage the growth of this firm, the government must reduce the import of that particular product by setting a <u>protection measure</u> and at the same time earns government tax revenue.

Which of the following would the Government impose?

A.   Increase tariff   B.   Place a ban

C.   Increase sales tax   D.   Impose quota

QUESTION 12

Advertising affects trade and brings benefit to the consumers.

Which of the following does <u>NOT</u> bring direct benefit to the consumer?

A.   Helps reduce crime and poverty.

B.   Reduce cost of printing newspapers.

C.   Provides information about the location of the product.

D.   Provides free television entertainment to the viewers.

QUESTION 13

Which of the qualifications listed below talks about personality and attitude?

A.   Current police and medical clearance   B.   Minimum of three years

C.   Possess relevant knowledge and skills   D.   Well disciplined and sober habits

QUESTION 14

Joyce likes sewing meri blouse during her free times. She used to sew the meri blouse and give

to her friends and relatives. However, she decided to start the small tailoring business that

will be specialised in sewing meri blouse so that she can sell them. After assessing the progress

of her business, she is now deciding to quit teaching and venture into tailoring business.

Which of the following BEST describes Joyce's reason for starting her business?

A.   To be her own boss   B.   Putting hobby into productive use

C.   Freedom of action and risk taking   D.   To make own decision

QUESTION 15

Last year Goli received K 18 000 from selling coffee. He kept a record. This year is not a

good year because the coffee trees produced less than last year. He estimates that he will get 33%

of what he got last year.

How much estimated amount would she receive in cash this year?

A.   K 4 000   B.   K 5 000   C.   K 6 000   D.   K 7 000

QUESTION 16

Which of the following countries is Papua New Guinea's main trading partner?

A.   Solomon Islands   B.   Vanuatu

C.   New Zealand   D.   Tonga

QUESTION 17

Letter writing is an example of

A.   oral communication.   B.   written communication.

C.   effective communication.   D.   non-verbal communication.

QUESTION 18

Employers and interviewers are interested in your job file folder.

Which of the following shows what is contained in the job file folder?

A.   Index   B.   Title page

C.   Page number   D.   Table of contents

For Questions 19 and 20, refer to the information below.

Name	Age	Highest education	Skills/ Experience	Hobby	Goal
A	25	Bachelors degree in accounting	2 years with accounting firm	Rugby	Businessman
B	23	Bachelors degree in accounting	1 year with Paraka Lawyers	Reading	Businessman
C	33	Diploma in Business management	Salesman with Brian Bell for 8 years	Selling items	Businessman
D	35	Gr.12 School Leaver	Owns and manages a guesthouse for 10 years.	Likes to meet new people	Businessman

QUESTION 19

Who is <u>MOST</u> likely to start a small sales training school?

QUESTION 20

Who is <u>MOST</u> likely to become successful in a real estate business?

QUESTION 21

Which of the following shows the particulars of lease agreement?

A.   Location and description of the property.

B.   Nature of the property and description of it.

C.   Name and nature of the business.

D.   Names and address of the franchisor and franchise.

QUESTION 22

Which of the following is the reason for the government to impose licensing regulation?

A.   Stop business operation.   B.   Control business activities.

C.   Discourage business activities.   D.   Prolong business operation.

QUESTION 23

A customer stood near the meat section of a supermarket and pointed to the chicken pieces and said, "give me one". The sales girl took one chicken piece and weighed it. But the customer shouted, "*No, I want One Kilo*". The customer meant One Kilogram of the chicken pieces which the sales girl did not understand.

What communication barrier is displayed above?

A.   People barrier   B.   Language barriers

C.   Listening barrier   D.   Defective message

QUESTION 24

Exchange rate was US$ 0.45 equivalent to Papua New Guinea K 1. A tourist from USA paid

a mother US$ 60 for a bilum.

How much would the mother receive in Papua New Guinea Kina?

A.   K 133   B.   K 123

C.   K 60   D.   K 27

QUESTION 25

	Process of communication
I	Sender
II	De-coding
III	Message
IV	Encoding
V	Receiver
VI	Feed back

Which of the following shows the correct order of process of communication.

A.   I, II, III, IV, V, VI.   B.   IV, I, V, VI, II, III.

C.   I, IV, III, II, V, VI.   D.   IV, II.III.V, VI, I.

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

What document is given to the buyer when he buys goods on credit?

QUESTION 27

Who is the middleman in the normal chain of distribution?

QUESTION 28

	K
Opening Stock	20 500
Closing Stock	15 200
Cash Sales	52 000
Cash Purchases	7 500

What is the gross profit?

QUESTION 29

Name the type of production that concentrates in providing services only.

QUESTION 30

If there were shortage of supply of betelnut in the market, what would happen to the price of betelnut?

QUESTION 31

Dividing a market into various parts is called _____.

For Questions 32 to 34, refer to the information below.

<u>Lucy Trading</u>

<u>Balance sheet as at 1st August 2015</u>

Asset	K	Liability	K
Bank	4 500	Bank loan	2 000
Stock	5 000	Creditors	2 500
		Capital	<u>5 000</u>
	<u>9 500</u>		____(X)

QUESTION 32

How much is the contribution made by the owner?

QUESTION 33

What is the balance for the space labeled 'X'?

QUESTION 34

If Lucy repays K 1 000 to the bank, what will be the new balance?

QUESTION 35

If Peter sold a truck worth K 50 000 at a discount of 20 %, what would be the actual selling price after the discount?

QUESTION 36

In what part of the letter do you find the words 'Dear Sir'?

QUESTION 37

What act protects consumers?

For Questions 38 to 40, refer to the article below.

Licensing Act Too General

Madang province would soon have its own liquor Licensing Act because the National Liquor Licensing Act is too general. This was revealed by the provincial administrator and chief liquor licensing commissioner Benard Lange when announcing the end of liquor ban in the province this week.

He said that the Act was still awaiting the blessings of the inter-government Relations Minister Job Pomat. Mr. Lange said that the act is purposely to be used as a guide in the province. He said that the Provincial Liquor Act would also invite partnership with the marketing manager of SP Brewery to identify genuine liquor retailers only and also conduct awareness of alcohol.

Source: unknown

QUESTION 38

What is the name of the Act discussed in the article?
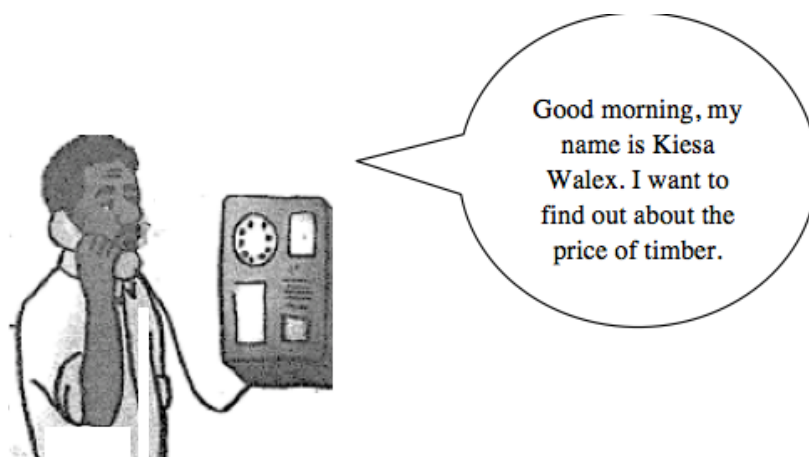
QUESTION 39

What type of business would operate under this particular Act?

QUESTION 40

What is the legal structure of SP Brewery?

QUESTION 41

What method of communication does the illustration below show?

QUESTION 42

Special ability to perform in a particular way is called _____.

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

1st January 2014			31st January 2014	
Item	Quantity	Price (K)	Quantity	Price
Rice (1Kg)	HH HH	5.00	HH	5.00
Tinned fish	HH HH	5.00	HH I	5.00
Sugar (500g)	HH HH	3.00	HH	3.00
Salt (100g)	HH HH	2.00	HH	2.00
Bar of Soap	HH HH	1.00	HH HH	1.00
Packet of Omo	HH HH	4.00	HH	4.00

QUESTION 43

Find the value of the opening stock.

QUESTION 44

What is the value of the closing stock?

QUESTION 45

If the purchases worth K 200, what would be the cost of goods sold?

PART C: EXTENDED RESPONSE (QUESTION 46)   5 Marks

For Questions 46 (I, II, III, IV and V), use the information below and write your answers in the space provided on the ANSWER SHEET.

Nongol

TO:

Julia's Meri Blouse

INVOICE   No. 123

Date: 6/1/2011

Quantity	Particulars	Unit price	Amount
6	Meri blouse	K 30.00	K180.00

Julia's Meri Blouse Shop

TO:

Jean

INVOICE   No. 01

Date: 6/1/2011

Quantity	Particulars	Unit price	Amount
12	Meri blouse	K 50.00	K600.00

Julia's Meri Blouse Shop

TO:

Lisa

INVOICE   No. 02

Date: 6/1/2011

Quantity	Particulars	Unit price	Amount
8	Meri blouse	K 60.00	K480.00

Nongol

TO:

Julia's Meri Blouse

INVOICE   No. 124

Date: 6/1/2011

Quantity	Particulars	Unit price	Amount
6	Meri blouse	K 30.00	K180.00

I.   What is the total amount for invoice N0.1?

II.   What is the total cost of Four (4) meri blouse sold to Lisa?

III.   Find the total sales made by Julia's Meri Blouse Shop?

IV.   Calculate the total sales made by Nongol.

V.   According to the invoices shown above, who is the wholesaler in the distribution of this product?

END OF EXAMINATION

LOWER SECONDARY SCHOOL CERTIFICATE
EXAMINATION – 2016

BUSINESS STUDIES – ANSWER SHEET

MARKER 1

YEAR		PROV.	SCHOOL	CAND No.
1	6			

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

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

41	
42	
43	K
44	K
45	K

(I)	K
(II)	K
(III)	K
(IV)	**K**
(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