



DEPARTMENT OF
EDUCATION

UPPER SECONDARY
SCHOOL CERTIFICATE
EXAMINATIONS

BUSINESS STUDIES

Wednesday
23 October 2013

Time allowed:
2 hours and 30 minutes
(8:00am – 10:30 am)

NO EXTRA TIME
(NO OTHER TIME)

Candidates are advised to fully
utilise the allocated time

BS

INSTRUCTIONS TO CANDIDATES

To be read by the external invigilator to all candidates.

1. The subject code for Business Studies is **11**.
2. There are **12** printed pages in the question booklet.
3. An Electronic Answer Sheet for Part A and **11**-paged answer booklet for Part B are inserted in the question booklet.
4. There are two parts in this paper. Answer all questions.

Part A: Multiple Choice (Questions 1-30) 30 Marks

This part will be electronically marked.

All answers to the Multiple Choice Part **MUST** be answered on the ELECTRONIC ANSWER SHEET provided.

Carefully following the instructions, fill in your Candidate Information and Subject Information.

Choose A, B, C or D from the alternatives given and use a HB pencil to shade in the correct letter to each question on the Electronic Answer Sheet.

If you make a mistake, rub the shading out completely using an eraser and shade in your correct alternative clearly.

Part B: Short Answers (Questions 31- 40) 70 Marks

Write your name, your school and complete your 10-digit candidate number on the Answer Booklet provided for Part B.

5. You are required to write only the correct answer in the space provided on the Answer Booklet.
6. Calculators may be used.
7. Answer all questions on the answer sheet. Answers on any other paper including rough work paper and the question paper will not be marked.
8. ALL working must be shown step by step to get full marks. You may lose marks for writing down final answers only.
9. Correction fluid is not allowed. Where you have made an error, cross out all the working and start on a new line.

Penalty For Cheating Or Assisting To Cheat In National Examinations Is Non-Certification.

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

PART A: MULTIPLE CHOICE**(QUESTIONS 1 - 30)****30 MARKS**

Answer each question by shading in with HB pencil the circle directly below the correct alternatives A, B, C, or D on the electronic ANSWER SHEET provided.

If you make a mistake, erase the shading completely with an eraser and shade in your alternative clearly.

QUESTION 1

Kanage has been directed to take the statistics of consumers of a particular product by the manager. He was basically informed to collect data on consumers' age group, family size, ethnicity and level of income and education.

Which of the following marketing dimensions are data collected by Kanage comes under?

- | | |
|---------------|----------------|
| A. Geographic | B. Demographic |
| C. Economical | D. Behavioral |

QUESTION 2

A reference found in a job folder comprises the following information.

- A. Referees contact detail.
- B. Referees personal detail.
- C. Referees qualification.
- D. Referees photograph.

QUESTION 3

Which of the following documents are not likely to be found in an accountant's job folder?

- | | |
|---------------------------|-----------------------|
| A. Accounting certificate | B. Birth certificate |
| C. Reference | D. School certificate |

QUESTION 4

An organisation chart indicates formalised

- | | |
|---------------------------|--------------------------|
| A. reporting procedures. | B. good work practices. |
| C. method of supervision. | D. procedures of filing. |

QUESTION 5

Peter works for Coca Cola (PNG) Ltd.

Peter is a/an

- A. employer.
- B. employee.
- C. shareholder.
- D. trustee.

QUESTION 6

When Digicel PNG LTD uses Stanley Nandex to promote owning land cruiser vehicles through purchasing Digicel's products; they are using Stanley Nandex as a _____stimuli.

- A. primary
- B. secondary
- C. conditioned
- D. unconditioned

QUESTION 7

A factor to consider when establishing a small business in terms of location is

- A. the number of people working in the business.
- B. the customers' accessibility to the site of operation.
- C. accessibility to the number of people who are illiterate.
- D. friendliness with the neighborhoods.

QUESTION 8

When the business is owned by more than two but less than twenty people, it is known as

- A. Sole Trader.
- B. Company.
- C. Partnership.
- D. Joint Venture.

QUESTION 9

Many skills are required by managers to effectively manage a business.

Which of the following skill is expected of all managers?

- A. Accounting
- B. Marketing
- C. Calculation
- D. Technical

QUESTION 10

Taking insurance cover for a business is to protect the business from

- A. physical destruction caused to other business by other businesses.
- B. physical harm to people outside of the organisation by other business.
- C. any injuries and damages suffered by the business.
- D. threats and disadvantages faced by another business.

QUESTION 11

Which of the following business environment are supplier and distributor part of?

- A. External environment.
- B. Internal environment.
- C. Operating environment.
- D. Marketing environment.

QUESTION 12

Which of the following type of meeting is held to discuss the decisions and operations of a business?

- A. Board of Directors Meeting.
- B. Annual General Meeting.
- C. Management Meeting.
- D. Union Meeting.

QUESTION 13

Outlining job activity for effective performance and implementation is known as

- A. job description.
- B. task design.
- C. process design.
- D. job design.

QUESTION 14

Input of raw material, transformation process and output of final product is known as

- A. value delivery.
- B. operations management.
- C. operation process.
- D. manufacturing process.

QUESTION 15

Organizing of supply chain and hiring of staff is part of an organisation

- A. operating procedures.
- B. planning and design.
- C. scheduling process.
- D. implementation process.

QUESTION 16.

When businesses monitor the right amount of stock at all times, this is referred to as

- A. stock monitoring.
- B. stock control.
- C. stock evaluation.
- D. stock assessment.

QUESTION 17.

A statement that shows income and expenses over a period of 12 months is a _____Statement.

- A. Financial
- B. Bank
- C. Cash flow
- D. Budget

QUESTION 18

The use and transmission of words using a variety of media is known as _____ communication.

- A. visual
- B. verbal
- C. telephone
- D. oral

QUESTION 19

Gai works with the staff division with the department of Education, Waigani, National Capital District. He is answering an external call.

Which of the following is the most acceptable phone manner in answering an external call?

- A. yes speaking, department of education, who is this?
- B. Gai speaking, good morning, how may I help you?
- C. Good morning, department of education, how may I help you?
- D. Good morning, this is Gai, who is this?

QUESTION 20

The three essential elements of communication are

- A. channel, message and decoding.
- B. sender, message and receiver.
- C. message, noise and encoding.
- D. sender, encoding and channel.

QUESTION 21

When a customer purchases products to satisfy a set of needs, we are looking at what is known as

- A. mental state selling.
- B. needs satisfaction selling.
- C. problem solving selling.
- D. consultative selling.

QUESTION 22

Product line is referred to a product range that has

- A. similar characteristics and uses.
- B. similar characteristics and different uses.
- C. different prices, texture and supplier.
- D. similar prices, texture and supplier.

QUESTION 23

John decided to operate a small trade store in his new block outside the town boundary. After six months he continued to have the same number of customers that he had in the beginning even though there were many potential customers who also moved into the new block there, they seemed to know nothing about the establishment of the trade store.

What is the most likely problem here?

- A. Pricing problem.
- B. Promotional problem.
- C. Customer dissatisfaction.
- D. Location problem.

QUESTION 24

There are four main types of market concentration. One example is a monopoly market, which is a complete concentration by one firm. Market concentration refers to the number of competitors in a particular market. Which of the following has a complete market concentration in the industry in Papua New Guinea?

- A. Digicel PNG
- B. Inter Oil
- C. Brian Bell
- D. PNG Power

QUESTION 25

Which of the following is 'employment relations' concerned with?

- A. Promoting a business as a whole.
- B. Relationship between the employees and the public.
- C. Relationship between the employees and the potential customers.
- D. Relationship between the employees and the employers.

QUESTION 26

Business and organisations normally have statements on how employees should perform as employees of the organisation.

The statement is known as Code of_____.

- A. Ethics
- B. Conduct
- C. Behavior
- D. Practice

QUESTION 27

The process of planning for the human resource needs of an organisation is known as

- A. employment planning.
- B. performance appraisal.
- C. human resource planning.
- D. training and development.

QUESTION 28

What is an organisation of workers who banded together to achieve a common goal in key areas of wages, hours of work and other working conditions?

- A. Task group
- B. Association
- C. Trade union
- D. Labour organisation.

QUESTION 29

The Papua New Guinea government has passed the HIV/AIDS and Prevention (HAMP) Act in 2003. This was in respond to the fear of increased number of HIV Aids cases affecting quality of workforce hence production in the country as a whole.

Which of the following workplace issue is the above Act related to?

- A. Working condition
- B. Occupational health and safety
- C. Workers compensation
- D. Equal employment opportunity

QUESTION 30

Which of the following situation best relates to social influence on employment relations in a business organisation?

- A. Income level of consumers.
- B. Number of business operating.
- C. The age level of consumers.
- D. The government support.

PART B: SHORT ANSWER

(QUESTION 31-40)

70 MARKS

Write the answers to the questions on the Answer Booklet provided.

QUESTION 31

- a. Explain two key factors of a joint venture (2 Marks)
- b. List three advantages a joint venture has over the other form of businesses. (3 Marks)
- c. Give an example of one joint venture in Papua New Guinea and the contribution it has made to Papua New Guinea. (2 Marks)

QUESTION 32

- a. State three causes of business cessation. (3 Marks)

Homeko was a Sole Proprietor who commenced operation in 2009. After operating for two years, he decided to cease his operation as it was not able to pay its debtors and was forced by debtors to close.

- b. Explain the form of cessation that has happened to Homeko’s business. (2 Marks)
- c. Explain how the Sole Proprietor ceases its operation. (2 Marks)

QUESTION 33

Nesi Fishery – Cash –Flow Budget

	Jan	Feb	March
Cash at start	5000	(ii)	
Total sales	3000		3000
Cash Sales	2000		1 000
Credit sales	(i)	1000	
Total Purchases	2000		
Wages	250	250	250
Drawing	50	150	100
Cash at the end of the month			(iii)

- a. Assume that total sales and total purchases are fixed for the first quarter of the year, find the missing figures marked with *Roman Numeral* in the cash flow budget. (3 Marks)
- b. What is the percentage of total cost per total sales for the month of February? (1 Mark)

- c. Cash flow plan is part of the business statement.
- (I) Identify one reason why business plan is important. (1 Mark)
 - (II) Explain at least two factors that may affect the business plan. (2 Marks)

QUESTION 34.

- a. What is a consumer? (1 mark)
- b. Explain three basic rights of a consumer (3 Marks)
- c. Identify three approaches to seek remedies for suffering injuries or damages from buying a defective product. (3 Marks)

QUESTION 35

- a. Explain two ways in which products can be differentiated. (2 Marks)
- b. Describe what exactly happens at 'innovation' before the introduction of a product in a product life cycle. (2 Marks)
- c. Identify two strategies that can be applied in the last stage of the product life cycle. (2 Marks)
- d. How does maturity in product life cycle affects price of a product? (1 Mark)

QUESTION 36

An employee continually arrives late for work.

- a. Give an example of the supervisor's response using the different communication styles.
 - (i) Aggressive (2 Marks)
 - (ii) Assertive (2 Marks)
 - (iii) Submissive (2 Marks)

A lecturer is leaning forward and pointing finger straight at his student when disciplining him for not completing his project on time.

- b. What body language communication style is the lecturer using? (1 Mark)

QUESTION 37

*The Human Resource Manager
Bank of Papua New Guinea,
P.O Box 125
Port Moresby
National Capital District
Papua New Guinea*

25 August 2012

Dear Sir or Madam,

I am 23 years old and I have just completed my studies from the University of Papua New Guinea. I graduated with a Bachelors Degree in Accounting.

I have done part-time job with Brian Bell for two vacations. I was specialised in doing credit purchases journals, ledgers and also helped with Bank reconciliation.

I am interested in working with your organisation as it has always been my dream.

Enclosed are my updated curriculum vitae, education qualification and three referees for your decision making.

Please do not hesitate to call me on this number should need arises.

Marrna Mandafe

- a. Read the application letter above and least the four missing parts of the letter. (4 Marks)
- b. Briefly define the following terms. (3 Marks)
- (i) Agenda
 - (ii) Minutes
 - (iii) Quorum

QUESTION 38

- a. Explain the word 'standard' in your own words with relation to any business operation. (2 Marks)
- b. Give two reasons why following standards are important to any business operation. (2 Marks)
- c. List two duties of an operation manager. (2 Marks)
- d. What is customer relation? (1 Mark)

QUESTION 39

- a. Price Water House Cooper is an accounting firm. It is expanding and could not perform all its tasks therefore it has contracted an outside firm to help manage induction program.
What is this process called? (1 Mark)
- b. Explain three ways of measuring quality (3 Marks)
- c. What are two main factors of a supply chain? (2 Marks)
- d. What is the purpose of a job card? (1 Marks)

QUESTION 40

- a. What are the two roles of a mentor? (2 Marks)
- b. State three reasons why organisations undergo a restructuring process? (3 Mark)
- c. What is the name of a leadership style where all powers are centralized? (1 Mark)
- d. What is voluntary ending of employment relationship called? (1 Mark)

END OF EXAMINATION

BUSINESS STUDIES— 2013

SECTION B-ANSWER BOOKLET

Write your name, your province, school codes and your candidate number correctly and clearly in the space provided below.

Year		Province		School			Candidate No		
1	3								

Candidate Name: _____

School Name: _____

Answers written on the QUESTION paper or any other paper will NOT be marked. Write answers in the spaces as provided on this answer booklet.

FOR MARKERS USE ONLY

	Score	Markers Initials	
		M1	M2
Section B:			
Question 31			
Question 32			
Question 33			
Question 34			
Question 35			
Question 36			
Question 37			
Question 38			
Question 39			
Question 40			
FINAL TOTAL			

QUESTION 31 a.	
<hr/> <hr/>	2
b.	
<hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	3
c.	
<hr/> <hr/> <hr/>	2
QUESTION 31 TOTAL	

QUESTION 32

a. _____

3

b. _____

2

c. _____

2

QUESTION 32 TOTAL

QUESTION 33

a.

(i) _____

(ii) _____

(iii) _____

3

b. _____

1

c

(i) _____

1

(ii) _____

2

QUESTION 33 TOTAL

QUESTION 34

a.

1

b.

3

c.

3

QUESTION 34 TOTAL

QUESTION 35	
a. <hr/> <hr/> <hr/>	2
b. <hr/> <hr/> <hr/>	2
c. <hr/> <hr/> <hr/>	2
d. <hr/>	1
QUESTION 35 TOTAL	

QUESTION 36

a.

(i) _____

2

(ii) _____

2

(iii) _____

2

b. _____

1

QUESTION 36 TOTAL

QUESTION 37

a.

(i) _____

(ii) _____

(iii) _____

(iv) _____

b.

(i) _____

(ii) _____

(iii) _____

4

3

QUESTION 37 TOTAL

QUESTION 38	
a. <hr/> <hr/> <hr/>	2
b. <hr/> <hr/> <hr/>	2
c. <hr/> <hr/> <hr/>	2
d. <hr/> <hr/>	1
QUESTION 38 TOTAL	

QUESTION 39	
a. _____	1
b.	

_____	3
c.	

_____	2

d.	
_____	1
QUESTION 39 TOTAL	

QUESTION 40 a. <hr/> <hr/> <hr/>	2
b. <hr/> <hr/> <hr/>	3
c. <hr/>	1
d. <hr/> <hr/>	1
<p style="text-align: right;">QUESTION 40 TOTAL</p>	