



**DEPARTMENT OF
EDUCATION**

**UPPER SECONDARY
SCHOOL CERTIFICATE
EXAMINATIONS**

BUSINESS STUDIES

Wednesday

28 October 2015

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. An electronic answer sheet for part A and **7** paged answer booklet for part B are inserted in the question booklet.
3. There are two sections in this paper. Answer all questions.

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

This section will be electronically marked.

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

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

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

Section B: Short Answer (Questions 31- 40) 70 Marks

Write down your name, your school name and complete your 10 digit candidate number on the Section B Answer Sheet Provided.

4. You are required to only write the correct answer in the space provided.
5. Calculators may be used.
6. Answer all questions on the answer sheet. Answers on any other paper including rough work paper and the question paper will not be marked.
7. **ALL** working must be shown step by step to get full marks. You may lose marks for writing down final answers only.
8. Correction fluid is not allowed on the answer sheet. 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

The primary purpose of undertaking any business activity is to

- A. make an interest.
- B. make a profit.
- C. provide health services.
- D. make use of skills.

QUESTION 2

When dealing with a difficult customer, an employee should

- A. argue with the customer.
- B. take the complaint personally.
- C. allow the customer to vent his/her feelings.
- D. blame others within the organisation for the problem.

QUESTION 3

A receipt given to the customer upon payment indicates that payment

- A. has been made.
- B. has been withheld.
- C. has been written off.
- D. is yet to be made.

QUESTION 4

A company registered under the Investment Promotion Authority indicating Pty Ltd after its name means the company

- A. can sell shares on the stock market.
- B. can not sell shares on the stock market.
- C. has unlimited liability.
- D. has a limited life span.

QUESTION 5

In a partnership where there is no written agreement, it is assumed that the benefits and the risks will be

- A. shared equally despite equal contribution by partners.
- B. shared according to the proportion of partners contribution.
- C. shared on the condition that the partner who runs the business gets 75 percent.
- D. forfeited for a partner who is not involved in running the business.

QUESTION 6

Which of the following management function identifies and bring together the resources needed to starting and operating the business?

- A. Planning
- B. Organsing
- C. Leading
- D. Controlling

QUESTION 7

One method of collecting data for the purpose of business research is _____.

- A. observation
- B. performance appraisal
- C. training
- D. superannuation

QUESTION 8

A balance sheet of a business shows the

- A. amount of tax to be paid to the government.
- B. amount of money held in the bank over a period of time.
- C. overall financial performance of a business over a period of time.
- D. amount of money to be paid as a business community obligation.

QUESTION 9

In today's competitive environment, businesses are expected to network.

This implies that businesses

- A. merge their operations.
- B. build relationship with others.
- C. target specific consumer group.
- D. isolate their operation.

QUESTION 10

Entrepreneurship is the ability to seize an opportunity that is often innovative and to make it economically viable.

This means it requires

- A. maximising the loss from the business.
- B. the need to divest from its core business.
- C. a sharp focus on its commercial viability of the business project.
- D. the business to address community social problems.

QUESTION 11

One of the most common reasons why a small business is not successful is when there is

- A. no office space.
- B. no product.
- C. lack of management skills.
- D. lack of community support.

QUESTION 12

Which of the following can individuals in Papua New Guinea use to enter into a small business?

- A. Partnership
- B. Co-operative Society
- C. Association
- D. International Joint Venture

QUESTION 13

Which of the following type of business is the mother selling ice block and cigarette from her home involved in?

- A. Formal Business
- B. Informal Business
- C. Sole Proprietorship
- D. Legal Business

QUESTION 14

Employees paying tax on income earned would have come across the acronym PAYE.

What does PAYE stand for?

- A. Pay as you earn
- B. Produce as you earn
- C. Pay and you earn
- D. Pay all your earnings

QUESTION 15

If John's business insurance has a clause that reads, 'claims for damage caused by volcano eruption will not be honored.'

What type of clause is this?

- A. Destruction
- B. Protection
- C. Exclusion
- D. Inclusion

QUESTION 16

Which of the following information do banks ask for before they approve small businesses' loan application?

- A. Interest
- B. Equity
- C. Mortgage
- D. Pension

QUESTION 17

A good business plan has four main elements. One of them is the Marketing Plan.

Which of the following four features would you find in the Marketing Plan?

- A. Production, Place, People and Price.
- B. People, Position, Price and Place.
- C. Price, Production, Products and Place.
- D. Product, People, Place and Price.

QUESTION 18

A person who shows interest in what is being said and understand the message well is a/an

- A. active listening person.
- B. reflective listening person.
- C. negative listening person.
- D. positive listening person.

QUESTION 19

Which of the following are three different ways of body language expressions?

- A. Gesture, writing, and posture
- B. Facial, posture and writing.
- C. Posture, gesture, and facial
- D. Writing, reading and facial.

QUESTION 20

A group of business executives in an office in Port Moresby are having a conference with investors in Tokyo using a video and screen.

This is known as

- A. telecommunication.
- B. video conferencing.
- C. mobile conferencing.
- D. television (TV) conferencing.

QUESTION 21

What is the name of the place that is used to store or keep old files such as documents, maps, and drawings for historical or research purposes?

- | | |
|------------|-------------|
| A. Office | B. Archives |
| C. Library | D. Museum |

QUESTION 22

What do you call a person who gets things done through other people in an organisation?

- | | |
|----------------|-------------|
| A. Stakeholder | B. Employee |
| C. Shareholder | D. Manager |

QUESTION 23

The process of completing activities and achieving business objectives in an efficient and effective manner is known as

- | | |
|----------------|-----------------|
| A. management. | B. organizing. |
| C. planning. | D. controlling. |

QUESTION 24

Which of the following is the set of standards and values that guides ethical behavior in an organisation or profession of its employees?

- | | |
|------------------------|-------------------------|
| A. Occupational safety | B. Employment contract |
| C. Code of conduct | D. Conflict of interest |

QUESTION 25

A production process characterized by the manufacturing of a high volume of constant quality goods is known as

- | | |
|---------------------|---------------------|
| A. quality control. | B. mass production. |
| C. production line. | D. value chain. |

QUESTION 26

A person who coordinates all the activities involved in acquiring, developing, maintaining, and separating an organisations' human resources is called a

- A. general manager.
- B. human resource manager.
- C. public relations manager.
- D. production manger.

QUESTION 27

James' employer sacked him with out following the legal requirements and procedures.

What is the correct term for this action?

- A. Resignation
- B. Redundancy
- C. Unfair dismissal
- D. Retirement

QUESTION 28

Mr. Fox is responsible for gathering a pool of potential employees or candidates for Ok Tedi Limited.

What is this specific human resource management process known as?

- A. Human relations
- B. Employment
- C. Recruitment
- D. Selection

QUESTION 29

An organisation that attracts and retains staff or workers of a higher caliber than its competitors is a new concept known as

- A. employee competition.
- B. employer of choice.
- C. employee benchmarking.
- D. employment relations.

QUESTION 30

Which of the following is the legally binding formal agreement between an employer and an employee?

- A. Code of ethics
- B. Affirmation action
- C. Common understanding
- D. Employment contract

PART B: SHORT ANSWER: (QUESTION 31-40) 70 MARKS

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

QUESTION 31

- a. List two sources that gives ideas to starting a small business. (2 Marks)
- b. Why should business ideas go through the screening process? (2 Marks)
- c. **For Question 31 c, refer to the information below.**

Summary of Market Survey for the level of demand for two different types of business products in Four provinces.

Location	Lae	Hagen	Kokopo	Goroka
Population	20 000	20 000	20 000	20 000
Hair saloon Business	3 Existing	3 Existing	3 Existing	3 Existing
Demand	12 000	18 000	9 000	12 000
Kai Bar	3 Existing	3 Existing	3 Existing	3 Existing
Demand	15 000	12 000	6 000	9 000

- (i) Joe wants to set up a hairdressing saloon in one of the provincial centers.
Identify the most suitable location to set up his business.
(1 Mark)
- (ii) Which location is not ideal to start up a kai bar business?
(1 Mark)
- (iii) Identify the location that has a great potential to start up a kai bar business.
(1 Mark)

QUESTION 32

- a. List two major skills required of all managers. (2 Marks)
- b. Explain the two major skills required by all managers as you have identified in 'a'. (2 Marks)
- c. State why managerial skills are necessary. (3 Marks)

QUESTION 33

- a. What is a business plan? (2 Marks)
- b. What are the two major purposes that a business plan serves? (2Marks)
- c. Give two examples of the four main components of a business plan.
(2 Marks)
- d. Who is often involved in the development of a business plan? (1 Mark)

QUESTION 34**Helping the local**

A landowner company from Morobe is aiming to grow its business to better its people after receiving a dividend pay out from its joint venture partner.

Winima Investment Ltd (WIL) receive its 2014 profit share of more than K 100 000 from its business partner, Pacific Manpower Ltd in a small ceremony.

WIL Chairman Samson Kawa thanked Pacific Manpower for its partnership.

“As we’ve seen from your report, there are areas to improve in and we will all work closely to address this with Morobe Mining who is providing us business opportunities at its Hidden Valley Mine” Kawa said.

Pacific Manpower group general manager Mark Stansfield said the joint venture’s operations report highlighted the need to work closely with the mine to achieve better results.

Source: Post Courier, 27 April 2015

- a. From the small article that you have read, explain the following terms.
- (i) Dividends (2 Marks)
- (ii) Joint venture (2 Marks)
- b. Explain the difference between an acquisition and a merger. (2 Mark)
- c. Give one example of business opportunity which mining can provide to the locals. (1 Mark)

QUESTION 35

- a. YZI is seeking loan of K100 000 from the Bank South Pacific Ltd. The bank has asked YZI Ltd decided to come up with equity of 12%.
- (i) How much would be the equity provided by YZI Ltd? (2 Marks)
 - (ii) How much would be the loan provided by the bank? (1 Marks)
- b. After talking with the bank YZI limited has decided to talk with Bee Finance Limited for other source of finance such as hire purchase.
- (i) Explain what type of financing is the hire purchase arrangement. (2 Marks)
 - (ii) Explain what Mortgage is. (2 Mark)

QUESTION 36

- a. Businesses operating locally and globally are impacted by the digital and technological changes that are taking place.
- (i). Explain what e-commerce is in your own words. (2 Marks)
 - (ii). Explain what e- marketing is in your own words. (1 Mark)
 - (iii). What is management information system (MIS)? (1 Mark)
- b. **Sales Performance for a mobile phone brand Luawei.**

Age group	Sales forecast	Actual Sales
10- 14	100	10
15-20	100	20
21-34	200	100
35-49	200	150
50-65	200	60

- (i) Which age group is mobile phone brand Luawei successful in selling? (1 Mark)
- (ii) Which age group has done very poorly than the rest? (1 Mark)
- (iii) What percentage of the planned sale is the actual sale for the age group 50-65? (1 Mark)

QUESTION 37

- a. Explain what encoding means in the communication process. (2 Marks)
- b. State two examples of an oral communication in the workplace. (2 Marks)
- c. State three examples of written external communication in the workplace.
(3 Marks)

QUESTION 38

- a. Describe the following functions of management.
 - (i) Planning (2 Marks)
 - (ii) Organising (2 Marks)
 - (iii) Controlling (2 Marks)
- b. What is the name of the statement that explains why an organisation exists, its purpose and its function? (1 Mark)

QUESTION 39

- a. Operations apply to all types of businesses.
 - (i) State two examples of a manufacturing operation. (2 Marks)
 - (ii) State two examples of a service operation. (2 Marks)
- b. What is a stock take? (2 Marks)
- c. What does JIT stands for? (1 Mark)

QUESTION 40

- a. What is a job description? (2 Marks)
- b. What do the following abbreviations stand for? (4 Marks)
 - (i) EEO
 - (ii) OHS
 - (iii) MBO
 - (iv) TQM
- c. What government body or agency is responsible for monitoring training in Papua New Guinea? (1 Mark)

END OF EXAMINATION

Business Studies — 2015

SECTION B-ANSWER BOOKLET

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

Year		Province		School			Candidate No		
1	5								

Name: _____

School: _____

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			

SECTION B - ANSWERS

Write your answer in the space provided below. Your answers must be clear and precise.

QUESTION 31

a.		

		2
b.		

		2
c.		
i	_____	1
ii	_____	1
iii	_____	1
For Markers Use Only	Q31 Total	

QUESTION 32

a. _____ _____ _____	2
b. _____ _____ _____	2
c. _____ _____ _____	3
For Markers Use Only	Q32 Total

QUESTION 33

.a. _____ _____	2
b. _____ _____	2
c. _____ _____	2
d. _____ _____	1
For Markers Use Only	Q33 Total

QUESTION 34

a. (i) _____ _____	2
(ii) _____ _____	2
b. _____ _____ _____	2
c. _____ _____	1
For Markers Use Only	Q34 Total

QUESTION 35

a. (i) _____	2
(ii) _____	1
b. (i) _____ _____	2
(ii) _____ _____ _____	2
For Markers Use Only	Q35 Total

QUESTION 36

a. (i) _____ _____	2
(ii) _____ _____	1
(iii) _____ _____	1
b.	
(i) _____	1
(ii) _____	1
(iii) _____	1
For Markers Use Only	Q36 Total

QUESTION 37

a. _____ _____ _____	2
b. _____ _____	
c. _____ _____ _____ _____	2
	3
For Markers Use Only	Q37 Total

QUESTION 38

a.		
(i)	_____	2

(ii)	_____	2

(iii)	_____	2

b.	_____	

	_____	1
For Markers Use Only	Q38Total	

QUESTION 39

a.		
(i)	_____	2

(ii)	_____	2

b.	_____	2

c.	_____	1

For Markers Use Only	Q39 Total	

QUESTION 40

<p>a. _____ _____ _____</p> <p>b. (i) _____ (ii) _____ (iii) _____ (iv) _____</p> <p>c. _____</p>	<p>2</p> <p>4</p> <p>1</p>
<p>For Markers Use Only</p>	<p>Q40 Total</p>