

ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව  
இலங்கைப் பரீட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம்  
Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka  
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**අධ්‍යයන පොදු පාඨමාලා පරීක්ෂණ (උසස් පෙළ) විභාගය, 2016 අගෝස්තු**  
**கல்விப் பொதுத் தராதரப் பரீட்சை (உயர் தர)ப் பரීட்சை, 2016 ஓகஸ்ட்**  
**General Certificate of Education (Adv. Level) Examination, August 2016**

ව්‍යාපාර අධ්‍යයනය I  
வணிகக் கல்வி I  
Business Studies I

**32 E I**

පැය දෙකයි  
இரண்டு மணித்தியாலம்  
Two hours

**Instructions:**

- \* Answer all the questions on this question paper itself.
- \* Write your Index Number clearly in the space provided above.
- \* Select the correct answers for questions No. 1-30 and write its number on the dotted line given.
- \* Write short answers for questions No. 31-50 on the dotted line given.
- \* Each question carries two marks.

Index No. : .....

**For Examiner's Use Only**

For paper I		Signature	Code No.
Q. Nos.	Marks	1st Examiner	
01 - 30		2nd Examiner	
31 - 50		Addl. Chief	
TOTAL		Chief	
		E.M.F.	

- Factors that should primarily be considered by a consumer in purchasing goods and services to fulfil their needs and wants are  
 (1) Expenditure and Package. (2) Package and Quality.  
 (3) Satisfaction and Trade name. (4) Expenditure and Trade name.  
 (5) Expenditure and Satisfaction. (.....)
- From the following, a business that focused on international market since its inception (Born Global) is  
 (1) motor vehicles. (2) electrical equipment. (3) apparel.  
 (4) constructions. (5) social network sites. (.....)
- Which of the following is **not** a modern business trend?  
 (1) Globalization (2) e-transactions (3) Mass Production  
 (4) Green production (5) Business outsourcing (.....)
- X column of the following table shows some of the bases of business classification and Y column shows some of the examples relating to those bases.

X	Y
A. Ownership	1. Gem mining
B. Objective	2. State Gem Corporation
C. Scale	3. Gem polishing
D. Source of industry	4. Free advise on gem industry
E. Nature of production	5. Gem business with two employees

Select the group that correctly matches each base of business classification with the relevant example.

- (1) A-2, B-5, C-3, D-4, E-1 (2) A-2, B-4, C-5, D-1, E-3  
 (3) A-2, B-3, C-4, D-1, E-5 (4) A-1, B-3, C-2, D-5, E-4  
 (5) A-4, B-2, C-5, D-1, E-3 (.....)
- With the approval of provincial council, Samantha has established the 'Samantha Hotel' in his house which close to a garment factory to buy and sell the bakery products. He employed two workers and entrusted the management of the hotel to his son.  
 Accordingly, the number of interested parties in Samantha's business are  
 (1) 3. (2) 4. (3) 5. (4) 6. (5) 7. (.....)

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6. Following table shows some of the macro environmental factors and examples for those factors.

Macro Environmental factors	Examples
A. Demographical	1. Development of robot technology
B. Technical	2. Increase in elderly population
C. Economic	3. Increase of world oil price
D. Political	4. Stipulation of usable polythene density
E. Legal	5. Presentation of a five year national development plan

Select the group that matches macro environmental factors and examples correctly.

- (1) A - 1, B - 2, C - 3, D - 4, E - 5                      (2) A - 4, B - 5, C - 2, D - 3, E - 1  
 (3) A - 2, B - 1, C - 3, D - 5, E - 4                      (4) A - 4, B - 3, C - 5, D - 2, E - 1  
 (5) A - 2, B - 1, C - 5, D - 3, E - 4                      (.....)

7. Following table shows some of the activities that a business has done to fulfil the social responsibilities towards each of their stakeholders and a list of stakeholders.

Activities	Stakeholders
A. Establishing a medical centre in the institute	1. Government
B. Contributing to Nation Building Tax	2. Customers
C. Preparing accounts reports according to standards	3. Employees
D. Displaying contents of products in the label	4. Owners

Select the group that matches above activities and relevant stakeholders correctly.

- (1) A - 1, B - 3, C - 2, D - 4                      (2) A - 1, B - 3, C - 4, D - 2  
 (3) A - 2, B - 4, C - 3, D - 1                      (4) A - 3, B - 1, C - 2, D - 4  
 (5) A - 3, B - 1, C - 4, D - 2                      (.....)

8. An ethic that has been formed by a business taking its competitors into account is

- (1) equal treatment to all employees.  
 (2) not to tarnish the image of other businesses, when advertising.  
 (3) non use of religious symbols for business activities.  
 (4) provision of high quality goods.  
 (5) respecting elders.                      (.....)

9. Which of the following can be considered as a government tax revenue?

- (1) Driving licence charges                      (2) Railway charges  
 (3) Rates                      (4) Postal charges  
 (5) Bank charges                      (.....)

10. Which of the following can be considered as a trade malpractice?

- (1) Non-payment of employees' salaries on due date  
 (2) Not keeping business place cleanly  
 (3) Remove an employee from the job  
 (4) Selling goods higher than the marked price  
 (5) Not maintaining sound relationships with customers                      (.....)

11. An advantage to the franchisee through a franchise business is

- (1) no investment risk.  
 (2) certainty of profit.  
 (3) the ability to obtain franchise license at low cost.  
 (4) the ability to conduct the business operations independently.  
 (5) the ability to get training and advices from the franchiser.                      (.....)

12. A matter related to partnership in the Companies Act No. 07 of 2007 is the

- (1) resolution of partners' disputes.                      (2) capital of partners.  
 (3) registration of partnerships.                      (4) number of partners.  
 (5) dissolution of partnerships.                      (.....)

13. Following are some of the characteristics of different business organizations.

- A - Publishing annual accounts reports
- B - Being a separate legal entity from the owners
- C - Involvement of owners for administration is compulsory
- D - Mandatory registration
- E - Ability to recruit skilled managers
- F - Limited liability of owners

Out of the above, select the group that contains only the characteristics of Public Limited Company (PLC).

- (1) A, B, C, D    (2) A, B, D, E    (3) A, B, D, F    (4) A, C, D, F    (5) C, D, E, F    (.....)

14. Some of the facts relating to co-operative business are given below.

- A - Democratic member control
- B - Concern for government
- C - Providing co-operative education, training and information
- D - Selling goods and services at low price
- E - Autonomy and independence
- F - Engaging in different fields of business

Out of the above, which group contains only the co-operative policies?

- (1) A, B, C    (2) A, B, E    (3) A, C, E    (4) A, C, F    (5) B, D, E    (.....)

15. A personal benefit to an entrepreneur through entrepreneurship is, increase in

- (1) gross domestic income.
- (2) employment.
- (3) social status and recognition.
- (4) consumption opportunities for new goods and services.
- (5) living standard of people.

(.....)

16. 'Social entrepreneurship' is best described as,

- (1) providing tents for displaced people.
- (2) distributing free books for school children.
- (3) partnering family members for one's own business.
- (4) manufacturing an innovative equipment to minimize fuel consumption.
- (5) providing 10% employment within the organization for disabled youth.

(.....)

17. A benefit gained only by the bank through an automated banking services is the ability to

- (1) save time.
- (2) earn more profits due to service expansion.
- (3) pay bills easily.
- (4) obtain accounts information easily.
- (5) transfer money between accounts.

(.....)

18. 'e-business' is best described as

- (1) trading through computers.
- (2) use of networking for transactions.
- (3) use of networking for conducting overall business process.
- (4) use of e-cash for transactions.
- (5) use of software for preparing business accounts.

(.....)

19. Which method ensures the definite receipt of value of goods in export for an exporter?

- (1) Bill of lading    (2) Letter of credit    (3) Promissory note
- (4) Insurance certificate    (5) Cheque

(.....)

20. A specific characteristic that is applicable only to online purchasing is the ability to

- (1) select goods.
- (2) compare prices of goods.
- (3) pay attention only to the goods that are needed.
- (4) pay by credit cards.
- (5) bargain.

(.....)

21. A factor that facilitates achieving efficiency of a firm is

- (1) adapting to environment.
- (2) preparing plans properly.
- (3) fulfilling social responsibilities.
- (4) minimizing resource wastage.
- (5) facing competition successfully.

(.....)

22. Select the correct statement about the Executive Support Systems (ESS).

- (1) A system that supports middle management decision making.
- (2) A system that supports top management decision making.
- (3) A system that supports communication process.
- (4) A system that provides information for the preparation of periodic reports.
- (5) A system that records data related to day-to-day operations.

(.....)

23. What is the reason for conceptual skill to be important for top managers?

- (1) For the success of day-to-day business activities
- (2) For better implementation of decisions
- (3) For improvement of interpersonal relations
- (4) For making long-term strategic decisions
- (5) For supervising lower level managers

(.....)

24. X column of the following table shows a several pairs of managerial positions and Y column shows some bases for departmentalization.

X	Y
A. Finance Manager, Marketing Manager	1. Product
B. Garment Production Manager, Leather goods Production Manager	2. Process
C. Wholesale Marketing Manager, Retail Marketing Manager	3. Function
D. Quality Control Manager, Packaging Manager	4. Customer

Select the group that correctly matches bases of departmentalization according to the managerial positions.

- (1) A - 1, B - 2, C - 3, D - 4
- (2) A - 3, B - 1, C - 4, D - 2
- (3) A - 3, B - 1, C - 2, D - 4
- (4) A - 2, B - 4, C - 1, D - 3
- (5) A - 2, B - 1, C - 4, D - 3

(.....)

25. X column of the following table shows marketing communication mix (sales promotion tools) and Y column shows some of the related examples.

X	Y
A. Advertising	1. Awarding gifts through drawing lots
B. Sales promotions	2. Television advertisements
C. Public relations	3. Door to door sales
D. Personal selling	4. Sponsoring sports meets

Select the group that correctly matches the examples as per marketing communication mix.

- (1) A - 1, B - 4, C - 2, D - 3
- (2) A - 2, B - 1, C - 4, D - 3
- (3) A - 2, B - 3, C - 1, D - 4
- (4) A - 3, B - 2, C - 4, D - 1
- (5) A - 4, B - 2, C - 3, D - 1

(.....)

26. The training method which enhances the leadership skill of an employee is

- (1) technical training.
- (2) behavioural training.
- (3) on-the-job training.
- (4) simulation training.
- (5) apprenticeship training.

(.....)

27. Following table shows some of the activities of an organization and management functions.

Activities	Functions
A. Division of work	1. Planning
B. Employee motivation	2. Organizing
C. Establishment of standards	3. Leading
D. Environmental analysis	4. Controlling

Which group is correctly matched the management functions as per the organizational activities?

- (1) A - 1, B - 2, C - 3, D - 4
- (2) A - 2, B - 1, C - 4, D - 3
- (3) A - 3, B - 4, C - 2, D - 1
- (4) A - 2, B - 3, C - 4, D - 1
- (5) A - 4, B - 3, C - 2, D - 1

(.....)

28. Which party is **not** directly involved in the activities of Colombo Stock Exchange?

- (1) Listed companies (2) The Department of the Registrar of Companies  
(3) Brokering companies (4) Trust banks  
(5) Securities and Exchange Commission (.....)

29. When debt capital is less than the total of ordinary share capital and reserves, that ratio is named as

- (1) High gearing ratio. (2) Return on investment ratio.  
(3) Low gearing ratio. (4) Quick ratio.  
(5) Current ratio. (.....)

30. A method of direct and internal source of funds is

- (1) share issue. (2) bank loans. (3) debenture issue.  
(4) retained profits. (5) leasing. (.....)

• Answer questions 31 to 40, by filling in the blanks with **suitable words**.

31. (a) Market can be created ..... as well as ..... methods.

(b) The goods that are purchased after the consumer has compared price, quality and style are called ..... goods and the goods that are purchased often without making a special effort are called ..... goods.

32. (a) Organizational ..... is formed, based on the beliefs, values, attitudes etc. of its owners, managers and employees' of an organization.

(b) The Central Bank of Sri Lanka issues ..... to obtain short-term loans and issues ..... to obtain medium and long-term loans for the government.

33. (a) A partnership can be formed either by written or ..... or .....

(b) Companies paying income tax on their ..... as well as on shareholders' ..... is named as Double Taxation.

34. State whether following statements are **true** or **false**.

Statement	True / False
1. Sole proprietorship pays income tax on its name.	.....
2. Taking risks is a characteristic of entrepreneurship.	.....
3. No difference between data and information.	.....
4. Production cost of a unit can be calculated by dividing total production cost by the number of units produced.	.....

35. (a) While the current account holder becomes the ..... of a cheque and a person whose name is written on the cheque becomes the .....

(b) Short-term (temporary) overdraft facilities can be obtained on ..... guarantee and long-term (permanent) overdraft facilities can be obtained on ..... guarantee.

36. (a) According to the classification of financial institutions, while Employee Trust Fund is a ..... savings institution and venture capital companies are ..... financial institutions.

(b) Parties involved in conducting an e-transaction are, the card holder, the merchant, ..... and .....

37. (a) Motor vehicles, passengers, external parties and all properties damaged are covered by ..... insurance policy and only the external parties and properties damaged are covered by ..... insurance policy.
- (b) The method in which a manufacturer exporting his own products by himself is called ..... method and exporting through an external party is called ..... method.
38. (a) Under the Intellectual Property Act, legal right for books is called ..... and the legal right for a temporary monopoly of innovation is called .....
- (b) Use of separate brand names for various products of a business is named as ..... brand and use of a single brand name for a company product line is named as ..... brand.
39. (a) Taking decisions by himself and implementing through followers is named as ..... leadership and taking decisions through consensus and implementing through followers is named as ..... leadership.
- (b) A manager of an institute gets ..... power through his knowledge and skills and incentives could be granted to employees through ..... power.
40. Write in the blank, the tasks relevant to the Human resource management function for each activity of a firm given below.

**Activity****Human Resource Management Task**

- |   |       |
|---|-------|
| 1. Publishing a newspaper advertisement for recruiting new employees        | ..... |
| 2. Conducting a written examination to assess candidates' general knowledge | ..... |
| 3. A new employee learning the tasks of the job while doing the job         | ..... |
| 4. Introducing a marking scheme for evaluating employee outcomes.           | ..... |

- For questions 41 to 50, write the **specific answers** in the space provided.

41. Various supporting services are required for a business from its inception to end. Name **four** levels of administrative structures of government which provide those services in Sri Lanka.
1. .... 2. ....
3. .... 4. ....
42. Write **four** main factors that should be considered when conducting a market survey before commencing a business.
1. ....
2. ....
3. ....
4. ....
43. Mention **four** ways that suppliers could be a threat to a business.
1. ....
2. ....
3. ....
4. ....

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44. State **four** methods that are used by Sri Lanka Standards Institute for implementing standards.

1. ....
2. ....
3. ....
4. ....





45. Write **four** principles of preparing plans.

1. ....
2. ....
3. ....
4. ....

46. Write **four** factors that should be considered in calculating maximum inventory level.

1. ....
2. ....
3. ....
4. ....

47. What are identified through the following symbols?

1.  .....
2.  .....
3.  .....
4.  .....

48. State the **four** variables that contain in the marketing mix when considered from the consumers' perspective.

1. .... 2. ....
3. .... 4. ....

49. Write the **four** main functions of an information system.

1. .... 2. ....
3. .... 4. ....

50. Write **four** necessities to prepare a financial plan.

1. ....
2. ....
3. ....
4. ....

\* \* \*





ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව  
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**අධ්‍යයන පොදු සහතික පත්‍ර (උසස් පෙළ) විභාගය, 2016 අගෝස්තු**  
**கல்விப் பொதுத் தராதரப் பத்திர (உயர் தர)ப் பரீட்சை, 2016 ஓகஸ்ட்**  
**General Certificate of Education (Adv. Level) Examination, August 2016**

ව්‍යාපාර අධ්‍යයනය II  
 வணிகக் கல்வி II  
**Business Studies II**

**32 E II**

පැය තුනයි  
 மூன்று மணித்தியாலம்  
**Three hours**

**Instructions:**

\* Answer five questions selecting at least two questions from each part.

**Part I**

1. (i) (a) State **four** basic functions (activities) of a business.  
 (b) Write an example for each, to show separately how customers and competitors become an opportunity and a threat to a business. (04 marks)
  - (ii) (a) When a businessman defaults a loan taken from a bank, state how it affects the businessman and the bank.  
 (b) Explain a strength and a weakness in the organizational culture by giving an example for each. (04 marks)
  - (iii) Briefly explain the interrelationship that exists between the following macro environmental factors by giving an example for each.  
 (a) Natural environment - Social and cultural environment  
 (b) Political environment - Economic environment (04 marks)
  - (iv) (a) When considered from employees' perspective, state **two** instances that can be considered as not fulfilling responsibilities of employer towards employees.  
 (b) Write **two** generally accepted ethics for each, that a passenger and a bus conductor should follow on the bus. (04 marks)
  - (v) Describe **two** major reasons for gradual decline of economic contribution from the tea industry which is one of the main export crops in Sri Lanka. (04 marks)
- (Total 20 marks)
2. (i) (a) "Government imposes a variety of taxes". Briefly explain the effect of imposing taxes on businesses.  
 (b) Explain **two** objectives of imposing credit restrictions by the Central Bank of Sri Lanka in implementing the monetary policies. (04 marks)
  - (ii) (a) Explain **two** advantages that can be gained by a businessman by ensuring consumer rights.  
 (b) Which is the legal requirement applicable if a person starts a business as 'Yasoda Catering Service', using his daughter's name? (04 marks)
  - (iii) (a) A person supposes that starting a sole proprietorship is better than that of a partnership. Give **two** reasons to agree with this idea.  
 (b) State **two** disadvantages of a private limited company when compared with a public limited company. (04 marks)
  - (iv) Explain **four** suggestions that you would propose to make the co-operative business popular among the public. (04 marks)
  - (v) "Entrepreneurship contributes for the economic development of a country". Explain this idea giving examples. (04 marks)
- (Total 20 marks)

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3. (i) (a) State **two** advantages that a businessman can gain by acquiring an existing business.  
(b) Describe **four** entrepreneurship skills. (04 marks)
- (ii) "Most small businesses fail within a short period of time." Explain this idea by giving **four** reasons for the failure of small businesses. (04 marks)
- (iii) (a) A survey has revealed that even though have ATM cards, some customers visit bank counter to withdraw money. Give **two** reasons which may cause them **not** to use ATM cards.  
(b) Mention **two** tasks of financial companies and explain how they contribute to the growth of the businesses. (04 marks)
- (iv) (a) Explain **two** advantages of using current accounts for businessmen.  
(b) At present, mobile phone is used for a variety of tasks. Give examples for **four** situations that mobile phone can be used for business activities. (04 marks)
- (v) (a) Write **two** benefits that a customer can gain by using credit cards over debit cards.  
(b) Describe **two** advantages of insurance for business organizations. (04 marks)
- (Total 20 marks)
4. (i) The theme of school debate for this year is "Developing railway is more important for business growth than developing roads." Describe **two** facts for each, that you are expecting to present for and against on this theme as a member of the school debate team. (04 marks)
- (ii) (a) List **four** possible problems of face to face verbal communication.  
(b) Write **two** advantages and **two** disadvantages of mailing through internet. (04 marks)
- (iii) (a) Explain, with examples, that both farmer and businessman are responsible for price escalating in agriculture products.  
(b) Describe **four** obstacles that domestic businessmen face in entering the international market. (04 marks)
- (iv) Explain with **two** advantages and **two** disadvantages, for businesses through making international trade agreements. (04 marks)
- (v) (a) Mention **two** advantages of e-commerce for a businessman.  
(b) Mention **two** disadvantages of e-commerce for a customer. (04 marks)
- (Total 20 marks)

### Part II

5. (i) (a) Select an interpersonal role of a manager and describe, with examples **two** activities in performing that role.  
(b) Briefly explain **two** factors that are needed for successful implementation of managerial decisions. (04 marks)
- (ii) (a) Describe **two** disadvantages of job specialization for an employee.  
(b) "A good leadership is essential for organizational success." Justify this idea giving reasons. (04 marks)
- (iii) (a) Briefly describe **two** actions that can be taken at the post feedback control stage to rectify the defects of a product.  
(b) Give **four** criteria that has to be considered by a firm in selecting a production method. (04 marks)
- (iv) (a) Describe **four** ways that production research and development affects the success of operation activities of a business.  
(b) State **two** favourable features of flow production. (04 marks)
- (v) (a) Describe **two** advantages of controlling stocks for a business.  
(b) Mention **two** methods of increasing labour productivity of an organization. (04 marks)
- (Total 20 marks)

6. (i) (a) Describe **two** characteristics of societal marketing.  
 (b) Briefly describe **two** elements in the 'place' (distribution) variable of marketing mix. (04 marks)
- (ii) (a) Explain the concept of 'expected product' by taking a radio as an example.  
 (b) Name **four** information that a customer can ascertain from a label of a product. (04 marks)
- (iii) (a) Briefly describe **two** main factors that should be considered by a businessman when selecting a suitable distribution channel.  
 (b) State **four** methods that a soap manufacturer can use to increase the sale of soap. (04 marks)
- (iv) (a) State **two** main objectives of financial management.  
 (b) Briefly describe **four** factors that should be considered by a businessman in selecting a financial institution to obtain a loan. (04 marks)
- (v) Give your views comparing the expected and actual status of financial ratios given below and suggest an action to be taken to reach the expected status for each. (Write only the ideas and actions to be taken in your answer script.)

Ratio	Expected status	Actual status	Idea	Action to be taken
1. Inventory turnover (times)	4	1		
2. Debtors turnover (times)	4	2		

(04 marks)

(Total 20 marks)

7. (i) (a) Write **four** facts that should be considered in forecasting the human resources requirements.  
 (b) Write **four** salient information that an interview board can obtain about an applicant from a job application. (04 marks)
- (ii) Sometimes it is difficult to select the correct person from a job interview. Briefly describe **four** factors that cause such difficulties. (04 marks)
- (iii) (a) State **two** benefits of performance appraisal to an employee.  
 (b) State **two** activities that a trade union needs to do in order to maintain a better employer-employee relationship. (04 marks)
- (iv) Write the answers for ①, ②, ③ and ④ places only in your answer script by considering the business sections/departments and Transaction Processing Systems of the information given in the table below with regard to daily operational activities of a business.

Business Section/ Department	Transaction Processing System
① .....	Purchasing materials
Human resource	② .....
③ .....	Pricing
Accounts	④ .....

(04 marks)

- (v) (a) State **four** characteristics of a good information.  
 (b) State **four** benefits of Information and Communication Technology (ICT) to a firm. (04 marks)
- (Total 20 marks)

8. (i) Briefly describe.

- (a) e-conference
- (b) Text chatting
- (c) Voice chatting
- (d) Video chatting

(04 marks)

(ii) Briefly describe about **four** components of an electronic information system.

(04 marks)

(iii) (a) Write **two** reasons for the need of a business plan.

- (b) Complete the following chart by taking into consideration the order of the steps of the process that should be followed in selecting an implementable final business idea from many business ideas.

(Give answers on your answer script by using a similar chart as given below.)

Nature of Analysis		Type of Factors to be used for evaluation
1. ....	→	.....
2. ....	→	.....

(04 marks)

(iv) (a) Name **two** major parts to be included in the financial plan of a business.

- (b) Write **four** examples for non-production costs.

(04 marks)

(v) Describe **two** decisions that can be taken from a financial analysis by a person who expects to commence a business.

(04 marks)

(Total 20 marks)

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