

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

අධ්‍යයන පොදු සහතික පත්‍ර (උසස් පෙළ) විභාගය, 2022 (2023)  
 கல்விப் பொதுத் தராதரப் பத்திர (உயர் தர)ப் பரீட்சை, 2022 (2023)  
 General Certificate of Education (Adv. Level) Examination, 2022 (2023)

ව්‍යාපාර අධ්‍යයනය II  
 வணிகக் கல்வி II  
 Business Studies II

32 E II

පැය තුනයි  
 மூன்று மணித்தியாலம்  
 Three hours

අමතර කියවීමේ කාලය - මිනිත්තු 10 යි  
 மேலதிக வாசிப்பு நேரம் - 10 நிமிடங்கள்  
 Additional Reading Time - 10 minutes

Use additional reading time to go through the question paper, select the questions you will answer and decide which of them you will prioritise.

### Instructions:

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

### Part I

1. 'Suwapa' company manufactures footwear using local raw materials and sell them to domestic and foreign markets. The company has been encountering many risks owing to the prevailing economic crisis and import restriction of the country. Electricity and fuel crises have also affected the continuation of manufacturing. Moreover, the company is facing an issue of removing and managing of waste generated through the manufacturing of shoes.
  - (i) (a) What is meant by 'risk' of a business? (02 marks)
  - (b) Indicate **four** risks Suwapa company has encountered. (02 marks)
  - (ii) (a) Briefly describe how the government restriction on imports of finished footwear affects the Suwapa company. (02 marks)
  - (b) Write **two** disadvantages for customers arising from the restriction of the imports of finished footwear. (02 marks)
  - (iii) (a) Propose **two** actions that the Suwapa company can take to manage the cost relating to the electricity crisis. (02 marks)
  - (b) Indicate **two** methods the company can take to manage the waste. (02 marks)
  - (iv) Identify **two** macro environmental trends connected to the above case and explain how they affect the company. (04 marks)
  - (v) If the management of Suwapa company decides to discontinue the footwear production in future, explain **two** impacts it causes to the Sri Lankan economy with examples. (04 marks)

(Total 20 marks)
2. (i) 'Franchise can be considered as a prevalent business method in the world.'
  - (a) Indicate **two** advantages a franchiser enjoys through this business method. (02 marks)
  - (b) Write **two** disadvantages a franchisee faces from this business method. (02 marks)
  - (ii) (a) Write **two** differences between ethics and laws. (02 marks)
  - (b) Briefly describe **two** pillars of sustainable development providing an example for each. (02 marks)
  - (iii) (a) Name **two** other statutes that affect a partnership in Sri Lanka except for the Partnership Act of 1890. (02 marks)
  - (b) Write **four** characteristics that can be observed in the cooperative business sector. (02 marks)
  - (iv) (a) Indicate **four** advantages of a limited liability company. (02 marks)
  - (b) According to the Companies Act No. 17, 2007 of Sri Lanka, indicate the mandatory requirement to be included in the names of listed and private companies. (02 marks)



- ✗ (v) Define what is meant by restructuring of public sector enterprises and state **four** objectives that a government expects to achieve through it. (04 marks)  
(Total 20 marks)
3. (i) (a) Mention **four** parties who can cross a cheque. (02 marks)  
(b) Briefly describe the legal implication of crossing a cheque as 'not negotiable'. (02 marks)
- (ii) (a) Write **four** services an account holder can obtain through an Automated Teller Machine (ATM). (02 marks)  
(b) Briefly describe **one** of the following.  
(1) Big data  
(2) E-money (02 marks)
- (iii) (a) State **two** non-financial services the Sri Lankan government provides for the development of entrepreneurship. (02 marks)  
(b) 'Creativity is a fundamental characteristic of an entrepreneur'. Briefly explain the importance of this characteristic with an example. (02 marks)
- (iv) 'Entrepreneurship is considered as the life blood of a country's development.' Indicate **four** reasons to justify the above statement. (04 marks)
- (v) Briefly describe **four** challenges currently faced by micro, small and medium enterprises in Sri Lanka. (04 marks)  
(Total 20 marks)

- ✓ 4. (i) (a) Write **two** differences between life insurance and health insurance. (02 marks)  
(b) Indicating whether a tenant could insure a rented house, briefly explain the insurance principle which was based for your answer. (02 marks)
- (ii) (a) Indicate **four** functions of the World Trade Organization. (02 marks)  
(b) State **four** strategies that can be adopted to increase the export earnings of Sri Lanka. (02 marks)
- (iii) (a) Explain **one** of the logistics methods given below with an example.  
(1) Reverse logistics  
(2) Third Party Logistics (3PL) (02 marks)  
(b) State **four** benefits a businessman can obtain by using proper packaging and equipment in warehousing. (02 marks)
- (iv) State **two** ways each how the crises condition prevailed in the transportation field of Sri Lanka affect business and consumer parties. (04 marks)
- (v) Describe **two** reasons each, for and against communicating via social media by a businessman. (04 marks)  
(Total 20 marks)

## Part II

- ✓ 5. Gihan, the Chief Executive Officer of Samagi Textiles bears risks of introducing creative projects for the growth of the business. Similarly, he represents the organization at employees' events at all possible situations and maintain effective dialogues with them. Moreover, he builds good relationships with internal and external parties.
- (i) (a) What are the **two** main managerial roles that a manager should possess which can be identified through the above case? (02 marks)  
(b) Write **two** sub-roles included in the above case relating to each main role identified in part (a). (02 marks)
- (ii) (a) Name the prime managerial skill Gihan should possess and provide **two** reasons for your answer. (02 marks)  
(b) If Gihan intends to develop a mission statement for his company, state **four** components that should be incorporated into it. (02 marks)



(iii) 'Gihan is famous among employees as an employee-oriented leader.'

(a) Defining employee-oriented leadership style, indicate **two** characteristics of it. (02 marks)

(b) Indicate **four** benefits the business can obtain if Gihan intends to decentralize the authority of decision making. (02 marks)

(iv) Following are some of the data relating to inputs and outputs of Samagi Textiles.

Raw material	- 5 000 units
Labour	- 2 500 hours
Machine	- 4 000 hours
Energy cost	- Rs. 150 000
Labour cost	- Rs. 100 per hour
Machine cost	- Rs. 25 per hour
Raw material cost	- Rs. 10 per unit
Total output	- 300 000 units

(a) Compute the following.

(1) Labour productivity (½ marks)

(2) Machine productivity (½ marks)

(3) Total productivity (01 marks)

(b) State **two** actions the business can adopt to increase machine productivity. (02 marks)

(v) Name and briefly describe the steps that should be included into the control process in order to operate Gihan's business effectively. (04 marks)

(Total 20 marks)

6. Rasanjali is a firm which produces high quality biscuits. The newly recruited marketing manager of the firm emphasises the need of market segmentation and sales promotion to the top management. Moreover, the need of a suitable package for the product is highlighted.

(i) (a) Mention **four** requirements an effective market segmentation should contain. (02 marks)

(b) Mention **two** advantages that a business can obtain through market segmentation with examples. (02 marks)

(ii) (a) Indicate **four** facts to be considered when developing a package for biscuits. (02 marks)

(b) If there is de-marketing for biscuits, mention **four** strategies that a marketing manager can adopt to overcome it. (02 marks)

(iii) According to the product classification, indicate the type of good that biscuits belong to and state with reasons the most suitable distribution strategy and promotional strategy that can be used. (04 marks)

(iv) (a) Indicate **two** advantages an investor can gain by purchasing treasury bills. (02 marks)

(b) Write **two** differences between licensed commercial banks and licensed specialised banks. (02 marks)

(v) Write **four** reasons for Colombo Stock Market to be important for the economic development of Sri Lanka. (04 marks)

(Total 20 marks)

7. (i) (a) Briefly describe 'capital budgeting'. (02 marks)

(b) 'There is an advantage of sourcing funds internally than externally for a business.' Do you agree with this statement? Justify your answer. (02 marks)

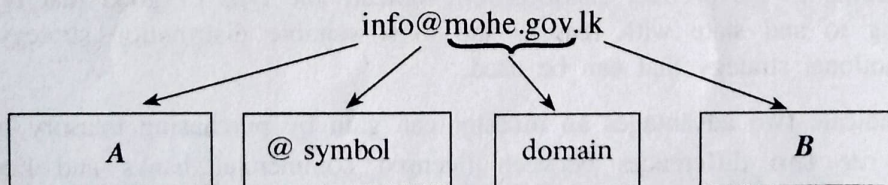
(ii) (a) Briefly explain **two** reasons as to why compensation management is important for a business. (02 marks)

(b) Indicate **four** actions that an employer can take if an employee commits an indiscipline act. (02 marks)



- (iii) (a) Indicate **two** special characteristics of human resource. (02 marks)  
 (b) Define what is meant by 'probationary period of employees' and indicate an advantage of it for both employer and employee. (02 marks)
- (iv) (a) 'Every job entails three elements:' (01 mark)  
 (1) Name the **three** elements. (01 mark)  
 (2) Briefly describe the inter-relations among the elements that you have identified. (01 mark)
- (b) State **four** internal factors to be considered in forecasting the human resource demand. (02 marks)
- (v) (a) Write **two** redresses an employee can obtain, if a labour tribunal provides a verdict that termination of the employment is not based on a reasonable cause. (02 marks)  
 (b) Briefly describe **two** negative consequences a company can face by not using appropriate Occupational Health and Safety (OHS) methods. (02 marks)  
 (Total 20 marks)

8. (i) (a) 'Information can be classified based on different criteria.' Mention the types of information based on the nature. (02 marks)  
 (b) State **four** functions of an information system. (02 marks)
- (ii) (a) Briefly explain the difference between system software and operating software. (02 marks)  
 (b) Aloka company is considering suitable information systems for its employee grades. Name the suitable information system for each grade given below.  
 (1) Top management  
 (2) Middle management  
 (3) Technical officers  
 (4) Clerical (02 marks)
- (iii) (a) Write **four** advantages a business can obtain by using internet for business affairs. (02 marks)  
 (b) 'An email address consists of several components.' Write the suitable word for **A** and **B** of the email address given below. (02 marks)



- (iv) (a) Mention **four** advantages a businessman can gain by preparing a business plan. (02 marks)  
 (b) Briefly describe the main objective of preparing an executive summary contained in a business plan. (02 marks)
- (v) (a) State **four** instances where a financial plan that is included in the business plan is important for a businessman. (02 marks)  
 (b) Briefly explain the necessity of conducting an environmental assessment when preparing a business plan. (02 marks)  
 (Total 20 marks)