



Saint Theresa College

PARVA PARVORUM PULCHRA

MRIEHEL SENIOR SCHOOL HALF-YEARLY EXAMINATIONS 2016/2017



Track 3

FORM: 3	BUSINESS STUDIES	Time: 1½ hrs
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Name: _____

Class: _____

ANSWER ALL QUESTIONS.

Section A: THE ECONOMIC PROBLEM

Fill in the blanks. (2 marks x 10 spaces = 20 marks)

The real cause of the shortage or scarcity of goods and services is that there are not enough factors of production to make all the goods and services that the population needs and wants. There are **f**_____ factors of production. **L**_____ is the term used to cover all the natural resources provided by **n**_____. It includes fields, forests, oil, gas, metals and other mineral resources.



Labour refers to the number of **w**_____ available to make products. **C**_____ is the finance, machinery and equipment needed for the manufacture of goods. Entrepreneurship refers to the skill and risk-taking ability of the person who brings the other three factors of production together to produce a **g**_____ or **s**_____. The **o**_____ of a business, referred to also as the entrepreneur, is a good example of entrepreneurship.

In any one country, and in the world as a whole, these factors of production are **I**_____ in supply. As there is never enough of these factors of production to produce all the needs and **un**_____ wants of a whole population, there is an economic problem of scarcity.

Section B: BUSINESS OWNERSHIP IN THE PRIVATE AND PUBLIC SECTORS

Matching Exercise. (1 mark x 10 matches = 10 marks)



A Mixed Economy	are the owners of a limited company. They buy shares in companies.
The Tertiary stage of Production	is a form of business in which two or more people agree to jointly own a business.
A Sole Trader	includes all businesses owned by the state, local governments and public authorities.
A Partnership	is concerned with the extraction of basic raw materials from nature.
Shareholders	has both a private sector and a public sector.
During an AGM	are payments made to shareholders from the profits of a company.
The Secondary stage of Production	provides services to consumers and the other sectors of industry.
Dividends	shareholders may attend and vote for the Board of Directors for the coming year.
The Public Sector	is a business owned by one person.
The Primary stage of Production	manufactures goods using the raw materials provided by the primary sector.

Section C: CLASSIFICATION OF GOODS AND SERVICES

Underline the odd one out and explain the reason.

(1 mark for the choice; 2 marks for the reason = 5 x 3 marks = 15 marks)

1

Bottle of Water
Shirt
Jewellery
Car Service

Reason: _____

2

Farming
Communication
Transport
Insurance

Reason: _____

3

Vegetables
Meat
Milk
Soap

Reason: _____

4

Furniture
Food Cans
Premises
Computers

Reason: _____

5

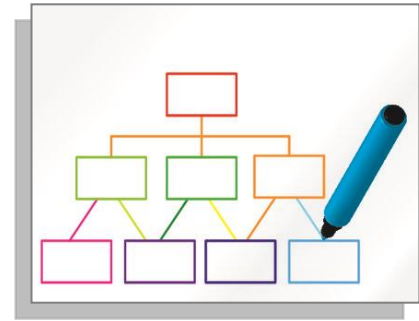
Hairdressing
Insurance
Business Banking
Plumbing

Reason: _____

Section D: ORGANISATION CHARTS

Answer all the questions in this section.

Organisational Structure refers to the levels of management and division of responsibilities within an organisation. **An Organisational Chart** shows how everybody is linked together in an Organisation.

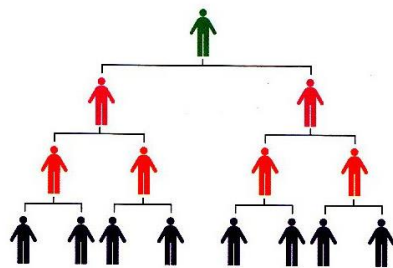


1. Mention two advantages of an Organisation Chart. (2 marks)

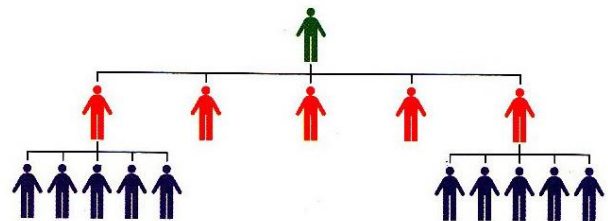
- a) _____
- b) _____

2. Define the term 'Chain of Command'. (2 marks)

3. Look at the Organisational Charts A and B underneath. Which one of the two shows a short Chain of Command. _____ (1 mark)



Organisation Chart A



Organisation Chart B

4. a. Define the term 'Span of Control'.

_____ (2 marks)

b. Referring to the above two organisation charts, in which Organisation Chart is there a wider span of control? _____ (1/2 mark)

c. Define in a number the span of control in Organisation Chart A. _____ (1/2 mark)

5. Define the term 'Delegation' (2 marks)

Section E: CASE STUDY ONE

Read the underneath Case Study and then answer the questions that follow.

Micro Electronics Malta Plc was established in the year 2005. It manufactures microelectronic chips which are then sold to several computer manufacturing companies around the globe. In 2005, the business needed €1,000,000 in order to get started. As at 2005, the business had 100 shareholders whom bought an equal amount of shares.

1. What kind of business is Micro Electronics Malta Plc?

_____ (2 marks)

2. Give two reasons for your chosen kind of business.

Reason 1: _____

Reason 2: _____ (2 marks)

3. From the information provided, how much did each of the 100 shareholders contribute in Capital? Please show your workings.

_____ (2 marks)

4. If Micro Electronics Malta Plc registered Net Profit of €10,000 in 2012, how much will each shareholder receive in Dividends. Please show your workings.

_____ (2 marks)

5. Define the terms '**Prospectus**' and '**Registrar of Companies**'. (2 x 2 marks each)

'Prospectus': _____

'Registrar of Companies': _____

6. Put in order the following six steps that need to be followed for this kind of business to start trading. Write the step number in the box next to each of the steps.

Company issues Prospectus.
Company can begin trading.
Memorandum of Association and Articles of Association are sent to the Registrar of Companies.
Shares are issued.
Registrar draws up Certificate of Incorporation.
Registrar draws up Certificate of Trading.

(3 marks)

Section F: CASE STUDY TWO

Read the underneath Case Study and then answer the questions that follow.

Kelsey, Debbie and Sarah decided to open up a business together as partners specialising in Hair and Beauty treatments. Their businesses was opened up on 1st January 2016 with the name of KDS Hair and Beauty Salon. As partners, Kelsey, Debbie and Sarah decided to contribute €10,000 each in Capital. Kelsey specialises in hairdressing whilst that Debbie specialises in beauty treatments. Sarah does not take part in the running of the business since she is a full-time teacher in one of Malta's Secondary schools.



1. What sort of business is KDS Hair and Beauty Salon? How do you know? (2 marks)

2. Which are the two services provided by KDS Hair and Beauty Salon? Hence, in what Stage of Production is the business operating? (2 marks)

3. Which are the two types of partners working within this business? (2 marks)

_____ and _____

4. How do you think that profits are shared amongst the 3 partners?
Why do you think so? (3 marks)

5. What should partners draw up before setting up their business? Can you mention two details that this document should contain? (3 marks)

6. Mention one advantage and one disadvantage of this kind of business. (3 marks)

Section G: SHORT – ESSAY

Write a short paragraph in the space provided, of not more than 100 words on one of the titles underneath. (15 marks)

Title 1

Describe the six basic business functions.

Or

Title 2

What are the main differences between businesses in the Public Sector and businesses in the Private Sector?



FOR TEACHER'S USE:

Section	A	B	C	D	E	F	G		TOTAL
Mark									

