

MINISTRY OF EDUCATION AND HIGHER EDUCATION

FORM FOUR EXAMS, 2010

BUSINESS



P/LAND NATIONAL EXAMINATION BOARD

Name
School
Roll Number.....

Puntland State of Somalia

Ministry of Education

Puntland National Examination Board

Form 4

BUSINESS STUDIES Examination

2010

Time 2 hours

Plus 10 minutes before the exam for reading through the paper

TOTAL TIME 2 hours 10 minutes

INSTRUCTIONS TO CANDIDATES

This paper consists of **12** printed pages.

Count them now. Inform the invigilator if there are any missing.

| | |
|---|------------------|
| PART 1: (20 Multiple choice questions): | 20 marks |
| PART 2:(20 matching / Short answer Questions): | 20 marks |
| PART 3: (5 Structured questions): | 30 marks |
| PART 4: (3 Extended questions): | 30 marks |
| TOTAL | 100 marks |

- Answer ALL questions.
- All answers and working must be written on this paper in the spaces provided immediately after each question.
- Rough work can be done on page 2. This will not be marked
- No extra paper is allowed.
- If you make a mistake





PART 1 (A): Answer ALL multiple choice questions. 10 marks. Circle the correct answers.

1. Choose the best description of fixed assets.
 - a. Are bought to be used in the business
 - b. Are items which will not wear out quickly.
 - c. Are long life and are not specifically bought for sale
 - d. Are expensive items bought for business.

2. Product promotion aims at immediate increase in
 - a. Sales
 - b. Influencing customers
 - c. Purchases
 - d. High consumer prices

3. Filing styles are broadly classified into
 - a. Vertical and centralized filing
 - b. Centralized and departmental filing
 - c. Vertical and departmental filing
 - d. Vertical and horizontal filing

4. Printers and scanners are part of
 - a. Hard ware
 - b. Soft ware
 - c. Hard ware and soft ware
 - d. Storage devices

5. The main parts of a two sector closed economy are:
 - a. households, banks
 - b. households, government
 - c. households, business firms
 - d. households, abroad



6. If the birth rate = 4.5% death rate = 2.3% and net migration = 1.2% then the population growth rate is
- 3.4%
 - 3.5%
 - 3.0%
 - 1.0%
7. The person who starts and manages a business is called
- manager
 - entrepreneur
 - supervisor
 - risk taker
8. An association of persons who jointly and voluntarily work together to achieve a common goal is called
- partnership
 - cooperative
 - public corporation
 - public limited company
9. The means through which the message is sent is
- the receiver
 - the feedback
 - the medium
 - the sender
10. A building where goods are stored while awaiting their use or distribution to consumers is known as
- distribution
 - warehouse
 - office
 - production



PART 1 (C) Fill in the blank spaces with the appropriate words given below 10 marks







Deed of partnership, utilities, franchise, money, directing, keyboard,
manufacturing, market share, limited liability, equilibrium point

1. A formal agreement setting out the legal details of a partnership is known as
2. In, the liability of share holders is limited to the value of their share holdings (to the property of business)
3.are the five standard services of gas, electricity, water, disposal and drainage.
4. is any commodity that is generally accepted and used as a means or medium of exchange for goods and services and settling debts.
5. The intersection point of demand curve and supply curve is called
6. Giving instructions, orders and directions so that things are done in the right way that the manager requires is known as.....
7. is a business marriage between an existing, proven business and new comer.
8. The percentage of the overall market in the hands of a particular firm is known as.....
9. Is the process of combining different materials converting them into finished goods.
- 10..... is one of the computer input devices.



PART 2: STRUCTURED QUESTIONS. 70 MARKS

1.a) The pictures below shows workers in various sectors..





| | | |
|--|--|---|
| <p>Farm Workers</p>  | | <p>Soldiers</p>  |
| <p>Police Officers</p>  | | <p>Bank Clerks</p>  |
| <p>Paramedics</p>  | | <p>Hairdressers</p>  |

Identify three workers that are usually found in private sector jobs.

3 mks

- i)
- ii)
- iii)

b) Galkayo & Co Ltd makes bookcases for sale in shops throughout Puntland.

| | | |
|--|--|--|
| <p>Cost of wood used in making the bookcases</p>  | | <p>Rent on workshop</p>  |
| <p>Cost of buying machinery to set up the business</p>  | | <p>Cost of varnish used on the bookcases</p>  |







Which two of the above are examples of its variable costs?

2 mks

- i)
- ii)



c) The pictures below show examples of goods.

| | |
|--|---|
| Delivery van  | Home washing machine  |
| Box of chocolates  | Family holiday  |
| Personal music player  | Living room furniture  |

List three goods that are regarded as consumer durable goods.

3 mks

- i).....
- ii).....
- iii).....

2. Nimco and Fatuma are very enthusiastic about computer games and anything to do with technology. They have decided to go into partnership to set up their own computer shop.

(a) State and explain three advantages for Nimco and Fatuma of setting up as a partnership rather than one of them setting up as a sole trader. [6 mks]



- (i)
-
-





(ii)

(iii)

Nimco and Fatuma realise that it will be important to advertise their business.

(b) (i) Suggest **one** type of advertising Nimco and Fatuma might use. 1 mk

.....

(ii) Why might this type be suitable for their business? 1 mk

.....

Nimco and Fatuma have found an empty shop for their business located fairly close to a large shop owned by a well known national chain selling computers and computer games in Bosaso.

(c) Evaluate the advantages and disadvantages of Nimco and Fatuma decision to set up their small shop close to a large computer shop owned by a well known national chain. [4]

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3. Complete the table below.

9 mks

For each of the changes say whether

- a. It is demand or supply that is affected
- b. Sales increase or decrease

| The change that has taken place | Demand or supply affected | Will price increase or decrease | Will sales increase or decrease |
|---|---------------------------|---------------------------------|---------------------------------|
| There has been a bad harvest | | | |
| Prices of substitutes such as mango has decreased | | | |
| A government report is published which says eating bananas is healthy | | | |
| New technology is introduced in banana farming | | | |
| The cost of farming bananas has increased | | | |
| A competitor's price has increased | | | |

4. Discuss the advantages and disadvantages of international trade

6 mks

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5. Fatima Iqbal works in the Finance Department of SureStart Ltd. which produces car parts in Galkayo.

| | |
|---|---|
| Sending bills to customers requesting payment |  |
| Packing goods to be sent to customers |  |
| Organising advertising campaigns to promote sales |  |
| Keeping records of money spent and received |  |

a) Which two of the above jobs might be done by the Finance Department of SureStart Ltd? 2 mks

- i)
- ii)

b) Fatima is paid \$8 per hour for a 35 hour week. At busy times she works overtime and is paid \$12 per hour for each hour over 35 hours worked.

Below is a payslip for Fatima. Study the payslip and answer the questions which follow.

| SureStart Ltd | | | | | |
|----------------------|-----------|--------------|----------|-----------|-----------|
| PAYSLIP | | | | | |
| DEPARTMENT | | DATE | | TAX WEEK | |
| Finance | | 10/6/2010 | | 20 | |
| NAME | | Fatima Iqbal | | | |
| GROSS PAY | | DEDUCTIONS | | TOTALS | |
| BASIC PAY | \$ 280.00 | PAYE | \$ 40.00 | GROSS PAY | \$ 316.00 |
| OVERTIME | \$ 36.00 | N.I. | \$ 31.00 | LESS | \$? |
| GROSS PAY | \$ 316.00 | TOTAL | \$ 71.00 | NET PAY | \$? |



(b) How much did Fatima receive as net pay? [1mk]

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(c) Income tax is collected using a system called PAYE. What do these initials stand for? {1}

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(d) (i) Why must Fatima pay National Insurance (N.I.) contributions? [1]

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.....
.....

(ii) How might Fatima gain from paying these National Insurance (N.I.) contributions? [1]

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.....

Abdihakim is head of the Personnel Department for the business. He has responsibility for the recruitment, selection and training of workers.

(e) List four steps Abdihakim might take when the business needs to employ more workers.

- (i).....
- (ii).....
- (iii).....
- (iv)[4 mks]

SureStart Ltd. spend a lot of money to pay for the training of new and existing workers.

(f) Explain why such training is necessary for (i) new workers and (ii) workers already employed by SureStart Ltd. [2 mks]

- (i) new workers
-
- (ii) workers already employed
-
-



7. Outline four negative effects of high population growth 8 marks

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8. Outline four ways in which consumers benefit when producers compete in product promotion. 8 mks

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