

බස්නාහිර පළාත් අධ්‍යාපන දෙපාර්තමේන්තුව மேல் மாகாணக் கல்வித் திணைக்களம் Department of Education - Western Province			
තෙවන වාර පරීක්ෂණය மூன்றாம் தவணைப் பரீட்சை - 2026 Third Term Test			
ශ්‍රේණිය தரம் Grade } 13	විෂයය பாடம் Subject } Business Studies	පත්‍රය வினாத்தாள் Paper } II	පැය மணித்தியாலம் Hours } 3

Instructions:

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

Part I

1) Kapila Kumara Senaratne is a retired officer from the Department of Export Agriculture. He has added new meaning to his retirement by starting and running a small business producing Kitul honey and related confectionary products and marketing them to both the local and foreign markets.

(i) (A) Classify the business mentioned in the above case based on the following criteria.

1. By the nature of the product.
2. By ownership.
3. By purpose.
4. By scale.

(02 marks)

(B) Write 04 characteristics that can be seen in this business.

(02 marks)

(ii) (A) Show the input-output process related to the above business with a diagram.

(02 marks)

(B) Give 04 points on how the development of regional industries affects the economic sustainable development of a country.

(02 marks)

(iii) Explain the way in which this business is run in an environmentally friendly manner using 04 points.

(04 marks)

(iv) Due to the military situation in the Middle East Gulf countries, fuel and gas prices have increased in this country and there is not enough supply for consumers.

(02 marks)

(A) Explain how a business can act in a way that fulfills its social responsibilities to its customers under such circumstances.

(02 marks)

(B) Prepare a code of ethics for a petrol station.

(02 marks)

(V) (A) "It is important to maintain a mutual relationship between the government and businesses for the smooth flow of economic development in a country. "Briefly explain this statement. (02 marks)

(B) State 04 ways in which businesses contribute to the achievement of the economic objectives of the government. (02 marks)

(Total 20 marks)

2) Due to the floods and landslides caused by Cyclone Ditva, a large amount of paddy and vegetable farmlands were destroyed in the Central Province of Sri Lanka. Infrastructure facilities such as highways, railways, bridges, etc. were destroyed to the extent that the people living in those areas could not maintain their normal lives.

(i) (A). In addition to the above problems, mention 04 problems faced by the farming community. (02 marks)

(B). Name 04 things that can be done to restore the lives of the people in those areas in the event of such a disaster. (02 marks)

(ii) Umali and Sumalka are two professional lawyers. They are looking forward to running their legal practice as a partnership.

(A) What is the most suitable business organization for their business? Partnership? Explain this answer. (02 marks)

(B) Write 04 things that should be included in a "partnership agreement" to run a partnership smoothly. (02 marks)

(iii) The new companies formed by abolishing the Ceylon Electricity Board and restructuring the board came into effect from March 09.

(A) Name 04 companies that have been operating since the Ceylon Electricity Board was abolished. (02 marks)

(B) In addition to the names of state corporations, corporations and boards, they are known by various names. Mention 2 such names and write an example for each name. (02 marks)

(iv) From a young age, Jeevaka helped his father in his mask and puppet carving business in various ways. He had a strong passion for the art of carving and showed an innate ability in it. He experimented with various things as he got the opportunity and read local and books on the mask industry. With his father's encouragement, he became the owner of the business and found foreign customers through the Internet and developed the business to a highly profitable level in a short time.

(A) According to the above description, can Jeevaka be considered a businessman? (02 marks)

(B) Write 04 entrepreneurial traits that he possesses. (02 marks)

(V) "It is essential that social entrepreneurs mobilize to rise again and again in the face of national disasters." Do you agree with this statement? Explain your answer by defining social entrepreneurship. (04 marks)

(Total 20 marks)

- 3) A skilled and experienced chef, Tharindi Ratnadeepa, worked as the head cook at the hotel, but she left it and started her own restaurant in the Wellawatte area with a small capital investment.

She also runs the restaurant as a street food restaurant after 10 pm using a small truck.

- (i). (A) Write 4 things to consider when starting and running a small and medium-sized business. (02 marks)

(B) It is reported that many businesses started in this way close down within a few days of starting. State 4 reasons that can cause small and medium-sized businesses to fail.

(02 marks)

- (ii) She is planning to purchase two more trucks under lease facilities as night mobile shops are very popular among the current youth.

(A) What is a lease financing company? (02 marks)

(B) Write two advantages that a business person gets from a lease financing company.

(02 marks)

- (iii) (A) In addition to accepting deposits and providing loans, state 04 other services that commercial banks provide to businesses. (02 marks)

(B) Write 04 advantages that banks get from automated banking services. (02 marks)

- (iv) (A) The above mentioned company wants comprehensive insurance for its small trucks and write 04 risks that are necessarily covered by such insurance. (02 marks)

(B) Write 04 examples of uninsurable risks. (02 marks)

- (v) (A) "Communication" and "business communication" are two concepts that are related to each other. Explain this briefly. (02 marks)

(B) Explain with the help of 2 facts how communication is important for social activities.

(02 marks)

(Total 20 marks)

- 4) It is evident that there is a need for international standards in road transport in Sri Lanka.

- (i) (A) Mention 04 qualities that should be present to maintain a good transport system in Sri Lanka. (02 marks)

(B) It is important for a manufacturing establishment to maintain efficient stock control. Mention 04 advantages of having such efficient stock control. (02 marks)

- (ii) (A) Various equipment is used to make the operations of a warehouse efficient. Mention 4 equipments used in this way. (02 marks)
(B) Mention two differences between domestic trade and foreign trade. (02 marks)
- (iii) (A) Briefly explain duty free shops and name two parties who can purchase goods from such shops. (02 marks)
(B) Mention 04 reasons why a bill of lading is important to an exporter. (02 marks)
- (iv) (A) Although supermarkets are very popular in Sri Lanka today, ordinary retail stores are still common in many areas. Mention 04 reasons for this. (02 marks)
(B) Mention 04 areas in which the South Asian Association for Regional Cooperation (SAARC) cooperates. (02 marks)
- (v) (A) Mention 04 limitations of e-commerce. (02 marks)
(B) E-commerce takes place between various parties. Mention 04 ways in which e-commerce can take place with the involvement of the consumer. (02 marks)

(Total 20 marks)

Part II

5) Hiruka is a person with about 18 years of experience in the apparel industry. He is an intelligent and talented person who has worked in the apparel industry in Sri Lanka as well as abroad. He currently runs his own apparel manufacturing company called "Hiru Apparels". He uses modern machinery with new technology for this and has hired suitable employees for it. He does his work with great enthusiasm and dedication until the goals are achieved, and he has strong self-confidence to face and solve any problem successfully. Also, taking into account the opinions of his followers and respecting their opinions when making decisions regarding business matters is one of his qualities. Therefore, the employees show more loyalty to the company. Although he had been doing all the management work until now, as the business was improving day by day, he hired a skilled and experienced operations manager, a finance manager, and two more supervisors for the factory.

- (i) (A) Give 04 reasons why this garment industry is improving day by day. (02 marks)
(B) Name the leadership style followed by Hiruka and give reasons for your answer. (02 marks)
- (ii) (A) Write two qualities that Hiruka possesses among the leadership qualities that an industrial leader should have. (02 marks)
(B) What is the management level to which Hiruka's newly hired operations manager and finance manager belong? Write 03 functions related to that management level. (02 marks)
- (iii) (A) Give two financial and two non-financial motivational methods that Hiruka can use to motivate employees. (02 marks)

(B) Give 4 reasons why it is important to motivate employees through different methods. (02 marks)

(iv) (A) "This garment industry is characterized by a process-oriented approach." Mention two advantages and two disadvantages of the process-oriented approach. (02 marks)

(B) This organization maintains a separate department for purchasing materials. Name the steps in the material purchasing process. (02 marks)

(v) The following techniques are maintained in the factory to maintain the quality of Hiruka garments at a very high level. Briefly introduce these quality control techniques.

(A). Quality circle

(C). Quality standards

(B). Quality assurance

(D). Statistical process control

(04 marks)

(Total 20 marks)

6) (i) Some facts related to the stock of a spice manufacturing company are given below.

Maximum material consumption = 400 units per day

Minimum material consumption = 200 units per day

Minimum reorder period = 10 days

Maximum reorder period = 14 days

Reorder quantity = 3600 units

Calculate the following.

(A) Reorder level

(B) Maximum stock level

(C) Minimum stock level

(D) Safety stock

(04 marks)

(ii) C/S Multi Color (Pvt) Ltd. is a leading paint manufacturer in Sri Lanka. They annually paint several government hospitals in the island for free and also pay close attention to the health and safety of their employees. The company has built effective relationships with all its stakeholders. They also work to sell their products of the highest quality at reasonable prices. They do not engage in unnecessary advertising. The employees treat customers very well and do not forget to preserve the environment. They also maintain an extensive distribution network throughout the island.

Name the marketing concept followed by this company and briefly explain it. (04 marks)

(iii) (A) Define "Packaging" and state its 03 levels. (02 marks)

(B) State 04 things to consider when designing a packaging. (02 marks)

(iv) (A) Businesses use various promotional strategies. State 04 situations where promotion is important for a business. (02 marks)

(B) Briefly introduce.

1. Establishment

2. Emotion

(02 marks)

(v) (A) Benjamin, who had been abroad for some time, decided to invest some of his savings in common stocks. State two advantages and two disadvantages each of Benjamin's decision. (02 marks)

(B) State 04 things to consider when a business entity meets its funding requirements.

(02 marks)

(Total 20 marks)

7) The following is the income statement of Dedunu Products (Pvt) Ltd. for the year ending 31.03.2025.

	Rs.000	Rs.000
Sales		40000
Beginning Stock	7000	
Purchases	16000	
	23000	
Ending Stock	(5000)	
Cost of Sales		(18000)
Gross Profit		22000
Distribution Expenses	2000	
Administrative Expenses	5000	
Other Expenses	1000	
Finance Expenses	2000	(10000)
Profit Before Tax		12000
Income Tax		(1600)
Net Profit After Tax		10400

(i) (A) Calculate the following financial ratios using the above financial statements.

1. Gross turnover ratio

2. Gross profit ratio

(02 marks)

(B) The previous interest coverage ratio of this business was 04 times. Explain the idea implied by the result of the relevant year compared to that year. (02 marks)

(ii) The Human Resources Manager of the above organization has discovered the following facts in the first two steps of the Human Resources Management process.

Position	Human Resource Demand	Human Resource Supply
Accounting Assistant	07	09
Quality Controller	08	04

(A) Name the next steps in human resource planning. (02 marks)

(B) Indicate the current situation regarding each of the above positions and indicate the decision that the human resource manager can take in this regard. (02 marks)

(iii) (A) State 04 internal attraction methods that attract employees to an organization. (02 marks)

(B) State 02 advantages and disadvantages of internal attraction methods each. (02 marks)

(iv) (A) Define "employee grievance". (01 marks)

(B) State 03 methods of resolving employee grievances. (03 marks)

(v) Briefly introduce the following.

1.S&P Sri Lanka 20 Index

2.Interbank call loan market (04 marks)

(Total 20 marks)

8) (i) (A) Information systems are used to facilitate the operations of a business. State 04 ways in which an information system is important to a business. (02 marks)

(B) When classifying information according to its nature, it is classified as quantitative information and qualitative information. Briefly explain quantitative information and qualitative information and give an example of each. (02 marks)

(ii) (A) State 04 qualities that should be present in good information. (02 marks)

(B) In the classification of information systems according to use, Management Information System (MIS) is very important. Explain Management Information System and mention two of its basic characteristics. (02 marks)

(iii) (A) Businesses use firewalls for their information systems. Explain what a firewall is and give 2 reasons why it is essential for a business. (02 marks)

- (B) Blockchain technology is currently being used in many different fields. Mention 4 advantages of blockchain technology. (02 marks)
- (iv) (A) Mention 04 points to be considered when preparing a business plan. (02 marks)
- (B) Mention 04 information to be presented in a competitive analysis included in a marketing plan. (02 marks)
- (v) (A) Explain the estimated project cost included in a financial plan and mention 02 components included in the estimated project cost. (02 marks)
- (B) Briefly explain the concept of corporate social responsibility. (02 marks)

(Total 20 marks)