Instructions to candidates (Please Read Carefully):

1. **Time allowed:** Reading - 15 minutes
   Writing - 03 hours.

2. **All questions should be answered.**

3. **Answers should be in one language, in the medium applied for, in the booklets provided.**

4. **State clearly assumptions made by you, if any.**

5. **Action Verb Check List with definitions is attached. Each question begins with an action verb excluding OTQ’s. Candidates should answer the questions based on the definition of the verb given in the Action Verb Check List.**

6. **100 Marks.**

**SECTION A**

Objective Test Questions (OTQs)

Twenty (20) compulsory questions

(Total 40 marks)

**Question 01**

Select the most correct answer for question No. 1.1 to 1.15. Write the number of the selected answer in your answer booklet with the number assigned to the question.

1.1 The common elements of any system in a business organization are:

   (1) Input, Product and Demand.  
   (2) Input, Process and Output.  
   (3) Input, Consumption and Needs.  
   (4) Input, Services and Goods.

1.2 Which one of the following is an example for a physiological need?

   (1) Safety.  
   (2) Prestige.  
   (3) Water.  
   (4) Relationships.

1.3 Which one of the following is correct regarding a Public Limited Company?

   (1) Maximum number of shareholders is 02.  
   (2) Shares are permitted to issue to the public.  
   (3) There are no legal requirements for the formation.  
   (4) It is not compulsory to publish the annual report.
1.4 Which one of the following is not a component of the task environment?

(1) Suppliers. (2) Competitors. (3) Employees. (4) Customers.

1.5 Which one of the following could be considered as a strength for an organization?

(1) Changes in government policies. (2) Brand name.
(3) Lack of marketing expertise. (4) Prices of competitors.

1.6 Which one of the following is not an element of the internal environment of a business?

(1) Organizational culture. (2) Value system.
(3) Human resources. (4) Competitors.

1.7 Which one of the following is a feature of a good transportation system?

(1) Safety. (2) Speed.
(3) Cost effective. (4) All of the above.

1.8 In Human Resource Management, a formal introduction of the new employee to the organization is known as:

(1) Induction. (2) Selection. (3) Training. (4) Recruitment.

1.9 Which one of the following is an external determinant of rewards?

(1) Compensation policy of the organization. (2) Economic condition.
(3) Employer’s ability to pay. (4) Worth of a job.

1.10 Which one of the following is not an unethical practice from employer’s aspect of Human Resource Management?

(1) Physical violence. (2) Using child labour.
(3) Having flexible working hours. (4) Pressurizing employees to increase productivity.

1.11 An element included in an individual Job Specification is:

(1) Job identification. (2) Targets to be achieved.
(3) Criteria for assessment of performance. (4) Special physical capabilities.
1.12 Which one of the following marketing concepts is concerned with profit growth by capturing customer share, loyalty and life-time value?

(1) Societal marketing concept.  (2) Customer concept.
(3) Holistic marketing concept.  (4) Selling concept.

1.13 The market which is associated with regular customers who continue to buy and consume a particular good or service is known as:

(1) Potential market.  (2) Available market.
(3) Business market.  (4) Actual market.

1.14 Which one of the following statements is not correct regarding information management?

(1) The extranet is a private net that is accessible by selected outsiders.
(2) The internet is a global network of computers that communicate via TCP/IP protocol.
(3) The intranet is a network outside an organization.
(4) An intranet is protected by security measures such as passwords and firewalls.

1.15 Which one of the following is not an objective of facility layout?

(1) Utilization of labour efficiency.  (2) Minimization of material handling cost.
(3) Encouraging proper maintenance.  (4) Increase in labour turnover.

Select the correct word/words from those given within brackets to fill in the blanks of question No. 1.16 to 1.20. Write the selected word/words in your answer booklet with the number assigned to the question.

1.16 ................. [Transaction Processing System (TPS) / Decision Support System (DSS)] is an information system which operates at the operational level of management.

1.17 ................. [Enterprise Resource Planning (ERP) / Executive Support System (ESC)] is a business process management software that allows an organization to use a system of integrated applications to manage the business.

1.18 ................. (Marketing and sales / Technology development) is a support activity in Porter’s Value Chain.

1.19 ................. (Job enlargement /Job rotation) is the process of shifting one employee from one job to another within a certain period.

1.20 Under ................. (differentiated marketing / concentrated marketing), a firm will develop products and services with separate marketing mix strategies for each of the segments.

(02 marks each, Total 40 marks)
SECTION B
Four (04) compulsory questions
(Total 40 marks)

Question 02
A business organization is a person or a group of persons working together in pursuit of the same commercial interest. Business organizations can be classified in different ways and the sole proprietorship is the most common form of business ownership. Supportive services play an important role in any business organization regardless of the type of the ownership.

You are required to:
(a) State three (03) advantages and two (02) disadvantages of a sole proprietorship. (05 marks)
(b) State five (05) services which can be obtained from banks and financial institutions for a business organization as support services. (05 marks)

Question 03
A business organization produces goods and services to meet its customers’ needs. Quality has become a major factor in the selection of a particular good or service by the customer.

You are required to:
(a) Explain the importance of quality management to a business organization. (06 marks)
(b) Identify any four (04) dimensions of quality for manufactured products. (04 marks)

Question 04
Human resource is the most important resource of any organization. Therefore Human Resource Management is vital for the success of the organization and it includes a variety of activities.

You are required to:
(a) Explain the importance of Human Resource Management for an organization. (06 marks)
(b) Identify the steps included in the training process. (04 marks)

Question 05
While marketing is an essential aspect to any organization irrespective of its nature and purpose, an effective brand strategy gives a major edge in an increasingly competitive market.

You are required to:
(a) Explain three (03) reasons why marketing is important for a business organization. (06 marks)
(b) Identify four (04) characteristics of a successful brand. (04 marks)

End of Section B
**SECTION C**

A compulsory question.

(Total 20 marks)

### Question 06

**Bert & Sons Ltd.** which was founded in 1980’s in Gampaha is a family owned business. The company is well-known for selling fresh quality bakery foods island-wide at an affordable price. Currently the business operates 50 outlets located across the island with nearly 600 employees. **Bert & Sons Ltd.** has already received ISO certification for its operations. The owners recently decided to expand their business operations by turning its traditional outlets into restaurants. Meanwhile, international fast food chains are also spreading its operations island-wide. To face this stiff competition, the management of **Bert & Sons Ltd.** has decided to start home delivery services of its products through online and hotline services. The IT manager has suggested that to implement this decision, the company needs to immediately develop an attractive website with online purchasing facilities and a 24 hours call centre. The company plans to recruit another 150 delivery riders and 20 call centre staff to facilitate the proposed expansion. The Production Manager of the company has highlighted the opportunity to reduce manufacturing costs by importing an energy-efficient oven from a supplier in Singapore. **Bert & Sons Ltd.** prioritise maintaining strong relationships with its suppliers. Currently, the company buys all its inputs such as vegetables directly through farmers and registered suppliers.

You are required to:

(a) **Explain** three(03) ways in which globalization has positively impacted to **Bert & Sons Ltd.** (06 marks)

(b) **Explain** three(03) variables included in the marketing mix (4’P’s) of **Bert & Sons Ltd.** (06 marks)

(c) The management of **Bert & Sons Ltd.** is now considering the costs and benefits of outsourcing the call centre function rather than maintaining an in-house call centre. **State** two(02) advantages and two(02) disadvantages of Business Process Outsourcing (BPO). (04 marks)

(d) **Identify** four(04) stakeholders of **Bert & Sons Ltd.** (04 marks)

(Total 20 marks)
## ACTION VERB CHECK LIST

<table>
<thead>
<tr>
<th>Knowledge Process</th>
<th>Verb List</th>
<th>Verb Definitions</th>
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<tr>
<td><strong>Level 01</strong></td>
<td></td>
<td></td>
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<tr>
<td>Comprehension</td>
<td>Define</td>
<td>Describe exactly the nature, scope, or meaning.</td>
</tr>
<tr>
<td></td>
<td>Draw</td>
<td>Produce (a picture or diagram).</td>
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<tr>
<td></td>
<td>Identify</td>
<td>Recognize, establish or select after consideration.</td>
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<tr>
<td></td>
<td>List</td>
<td>Write the connected items one below the other.</td>
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<tr>
<td></td>
<td>Relate</td>
<td>To establish logical or causal connections.</td>
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<tr>
<td></td>
<td>State</td>
<td>Express something definitely or clearly.</td>
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<tr>
<td></td>
<td>Calculate/Compute</td>
<td>Make a mathematical computation</td>
</tr>
<tr>
<td></td>
<td>Discuss</td>
<td>Examine in detail by argument showing different aspects, for the purpose of arriving at a conclusion.</td>
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<tr>
<td></td>
<td>Explain</td>
<td>Make a clear description in detail revealing relevant facts.</td>
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<tr>
<td></td>
<td>Interpret</td>
<td>Present in an understandable terms.</td>
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<tr>
<td></td>
<td>Recognize</td>
<td>To show validity or otherwise, using knowledge or contextual experience.</td>
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<td></td>
<td>Record</td>
<td>Enter relevant entries in detail.</td>
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<tr>
<td></td>
<td>Summarize</td>
<td>Give a brief statement of the main points (in facts or figures).</td>
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<tr>
<td><strong>Level 02</strong></td>
<td></td>
<td></td>
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<tr>
<td>Application</td>
<td>Apply</td>
<td>Put to practical use.</td>
</tr>
<tr>
<td></td>
<td>Assess</td>
<td>Determine the value, nature, ability, or quality.</td>
</tr>
<tr>
<td></td>
<td>Demonstrate</td>
<td>Prove, especially with examples.</td>
</tr>
<tr>
<td></td>
<td>Graph</td>
<td>Represent by means of a graph.</td>
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<tr>
<td></td>
<td>Prepare</td>
<td>Make ready for a particular purpose.</td>
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<td></td>
<td>Prioritize</td>
<td>Arrange or do in order of importance.</td>
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<td></td>
<td>Reconcile</td>
<td>Make consistent with another.</td>
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<td></td>
<td>Solve</td>
<td>To find a solution through calculations and/or explanation.</td>
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<tr>
<td><strong>Level 03</strong></td>
<td></td>
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</tr>
<tr>
<td>Analysis</td>
<td>Analyze</td>
<td>Examine in detail in order to determine the solution or outcome.</td>
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<tr>
<td></td>
<td>Compare</td>
<td>Examine for the purpose of discovering similarities.</td>
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<tr>
<td></td>
<td>Contrast</td>
<td>Examine in order to show unlikeness or differences.</td>
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<td></td>
<td>Differentiate</td>
<td>Constitute a difference that distinguishes something.</td>
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<tr>
<td></td>
<td>Outline</td>
<td>Make a summary of significant features.</td>
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