

EXAMINER'S REPORT**LEVEL I EXAMINATION - JULY 2025****(104) BUSINESS ENVIRONMENT**

As the entire question paper has been covered almost all the areas of Business Environment subject specified to the level I, the aim was to check the candidates' overall knowledge and understanding of the subject area. As a whole, most of the candidates' performance were satisfactory while others had been failed to answer well. Observing how the candidates have been answered the question paper, it had been realized that important points to prevent issues when understanding the questions and answering to obtain sufficient marks.

SECTION A**Question No. 01**

By this section, overall areas of the subject of Business Environment have been covered and almost all the candidates have been attempted the question. 40 marks out of 100 have been allocated and majority of the candidates had obtained a higher mark for this question. Most of the candidates had not answered successfully the sub question **1.1, 1.5, 1.18, 1.19** and **1.20**. The observations regarding the questions are as follows:

- 1.1** Majority of candidates were not aware of a document by which an invitation is issued to the public to buy shares of a Company. They had selected answer number (1) / (2) instead of the correct answer number (3).
- 1.5** Most of the candidates had not identified an instance for the dissolution of the partnership with a court order. They had selected the answer number (4) instead of the correct answer (3).
- 1.18** Most of the candidates were not aware the meaning of "Re-insurance". So they had described Re-Insurance as insuring again after completion of insurance agreement.
- 1.19** Most of the candidates were not aware of the participants of the money market. Majority had stated participants as shareholders, businessmen, buyers, sellers, etc. However, they have failed to mention actual participants like government, central bank, public, commercial banks, insurance companies, etc.
- 1.20** Most of candidates had not identified skills of entrepreneurship. They have described the characteristic of entrepreneurship instead of skills.

However, except above questions, most of the candidates have answered this part well.

As a whole, performance for this question was at a satisfactory level.

SECTION B

This section consisted with four compulsory questions. Each question had been given 10 marks.

Question No. 02

The question was based on the subject of “The Sole Proprietorship “, “Partnership” and “Limited Liability Company”.

- (a) Small number of candidates had not properly answered to this part and they had not classified characteristics of a formal business and they had explained features of a formal business by using their general knowledge. Candidates have commonly mentioned being an economic activity, purchase, sale or exchange an continuous persons motivated by profit risk and uncertainly and creation of needs of creativity, etc. and earned marks.
- (b) It was tested the differences between partnership and a limited liability company .Some of them had not understood the difference properly and given vague answers. Eg: partnership has less controlling methods and a company has more controlling methods. Average number of candidates had earned full marks.
- (c) Most of candidates had identified the challenges to be faced by SME’s. But they have not explained the challenges properly and loose earning allocated full marks.

As a whole, performance for this question was at a satisfactory level.

Question No. 03

- (a) It was expected to test the candidates’ knowledge about Services provided by a commercial bank to a business. Majority of candidates had mentioned, maintain accounts (savings, FD, Current), providing loan facilities, provide leasing facilities, sale of treasury bills, etc. and earned full marks.
- (b) Majority of candidates had answered properly to this question and earned full marks. Rest of the candidates had not understood the question properly and defined types of crossing a cheque instead of importances of crossing a cheque.
- (c) Majority of candidates had written the correct answer and obtained full marks. Small number of candidates had written characteristics of money instead of function of money. Most of them have not explained the functions properly and earning the full marks.

However majority of candidates had obtained higher marks for the entire question.

As a whole, performance for this question was at a satisfactory level.

Question No. 04

- (a) Majority of candidates had obtained an average mark as they have not properly explained the importances of managing a distribution channel. Some candidates had answered this part by using their general knowledge and scored marks.
- (b) Majority of candidates had obtained full marks and some of them had answered the question by using their general knowledge instead of the correct answer. For example buyers, sellers, Government, customers, logistic companies had been mentioned as the parties involved in the distribution channel.
- (c) Majority of candidates had understood the question properly and earned full marks.

As a whole, performance for this question was at good level.

Question No. 05

- (a) Majority of the candidates had stated the characteristics based on ownership, capital, liability, registration, legal personality and earned marks.
- (b) Majority of candidates had identified barriers of effective communication. Some candidates had not properly written the answer according to the marking scheme, For example, interruption of internet, disconnection of power, different time zones, physical factors, negative thoughts, etc.
- (c) Majority of candidates had answered to this question successfully and earned full marks. Some of the had written vague answers without in line with the marking scheme or study texts. Example increase goodwill, attraction of investors and attraction of customers, etc.

As a whole, performance for this question was at a satisfactory level.

SECTION C

Question No. 06

This was a case-study based question regarding “**Quality Tea (Pvt) Ltd.**”. Majority of candidates have attempted this question and most of them had obtained a mark above average level.

- (a) Majority of candidates had obtained full marks and some of them have written only wording for PESTEL. Limited number of candidates had written SWOT instead of PESTEL. Those who assess the PESTEL environment had earned full marks allocated to the question. The candidates should practice more questions based on case studies to practice to identify the relevant points from the given scenario.

- (b) Average number of candidates had identified business support services such as money, insurance, communication, transport, logistics, etc. correctly and some of them have incorrectly written buyers, sellers, creditors as business supportive services.
- (c) Majority had understood the question properly and got full marks. They explained facilitating economic stability and growth, contributing to employment, compliance to the rules and provide social services and manage sustainability as reasons for importance of having relationship between the government and business.
- (d) Majority had stated the reasons such as more profit organizations, competitive advantage, access to global market, tax benefits as the reasons why the given company needs to take part in foreign trade.
- (e) Most of the candidates had not identified the question properly and only minimum number of candidates had obtained full marks. Most of candidates had given vague answers and they have described how to increase sales by using e-mail, social media and credit cards instead. It is necessary to read and understand the question well before answering.

As a whole, performance for this question was at a satisfactory level.

General points to be considered in developing the level of understanding of candidates:

- (1) Candidates should study the relevant study packs before sitting for examinations.
- (2) It is very much important to practice answering past question papers and Action Verb Checklist with definitions attached to respective papers.
- (3) Candidates must read the instructions and questions carefully before answering the questions.
- (4) Do not write answers in the question paper itself and forward with the answer script.
- (5) Never try to give up compulsory questions as this habit may lead to achieve low marks.
- (6) Make use of recently published magazines, handbooks, newspapers and text books to update the knowledge.
- (7) Use a separate sheet to answer new question.

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