

සියලුම හිමිකම් ඇවිරිණි / முழுப் பதிப்புரிமையுடையது / All Rights Reserved

ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව
இலங்கைப் பரீட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம்
Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka
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අධ්‍යයන පොදු සහතික පත්‍ර (උසස් පෙළ) විභාගය, 2025
கல்விப் பொதுத் தராதரப் பத்திர (உயர் தர)ப் பரீட்சை, 2025
General Certificate of Education (Adv. Level) Examination, 2025

ව්‍යාපාර අධ්‍යයනය I
வணிகக் கல்வி I
Business Studies I

32 E I

පැය දෙකයි
இரண்டு மணித்தியாலம்
Two hours

Instructions:

- * Answer all questions on this question paper itself.
- * Write your **Index Number** clearly in the space provided above.
- * Select the correct answers for questions from **1-30** and write its number on the dotted line given.
- * Write short answers for questions from **31-50** on the dotted lines given.
- * Each question carries **two** marks.

Index No. :

For Examiner's Use Only

For paper I		Signature	Code No.
Q. Nos.	Marks	1st Examiner	
01 - 30		2nd Examiner	
31 - 50		Addl. Chief	
TOTAL		E.M.F.	
		Chief	

- A business becomes an economic activity because it
 - sponsors community projects.
 - exchanges goods or services for profits.
 - organizes celebrations for employee appreciation.
 - implements recycling programs for environmental protection.
 - promotes local traditions for cultural integration.

(.....)

- Following are some examples for goods and services.

- | | |
|---------------------|------------------|
| A – Food | B – Hair cutting |
| C – Teaching | D – Advertising |
| E – Television | F – Clothes |
| G – Training | H – Inventory |
| I – Vehicle renting | J – Computer |

Out of the above, what is the option that contains examples only for the services?

- | | | |
|-------------------|-------------------|-------------------|
| (1) A, C, E, H, J | (2) A, D, E, G, I | (3) B, C, D, F, G |
| (4) B, C, D, G, I | (5) C, E, F, I, J | |

(.....)

- The following table presents various stakeholders who are interested in a business and some business activities.

Stakeholders	Business Activities
(i) Government	A - Contributing to employment.
(ii) Employees	B - Purchasing high quality products.
(iii) Community	C - Simplifying procurement procedures.
(iv) Suppliers	D - Promoting flexible working methods.
(v) Customers	E - Paying taxes on time.

What is the option that correctly matches each business activity with the interest of stakeholders according to the order of the stakeholders given above?

- | | | |
|-------------------|-------------------|-------------------|
| (1) A, B, D, E, C | (2) B, E, D, C, A | (3) C, E, D, B, A |
| (4) E, B, D, C, A | (5) E, D, A, C, B | |

(.....)

[See page two]

4. A business extends its ethical responsibility to employees through

- (1) adhering to laws and regulations.
- (2) contributing to employee providend fund.
- (3) fostering a trustworthy workplace.
- (4) venturing into new markets.
- (5) providing quality products.

(.....)

5. The following are some forces that influence a business.

- | | |
|-----------------------------|------------------------------|
| A – Trade unions | B – Suppliers |
| C – Employees | D – Work norms |
| E – Competitors | F – Organizational resources |
| G – Organizational policies | H – Social activities |
| I – Customers | J – Organizational structure |

Out of the above, what is the option that contains only the forces that can be directly controlled by a business?

- | | | |
|-------------------|-------------------|-------------------|
| (1) A, C, D, F, J | (2) B, C, F, G, J | (3) C, D, F, G, I |
| (4) C, D, F, G, J | (5) E, F, G, H, J | |

(.....)

6. What is the official digital payment platform used for the payment of state services of Sri Lanka?

- | | | |
|--------------|-------------|---------------|
| (1) Applepay | (2) GovPay | (3) Googlepay |
| (4) PayPal | (5) PayHere | |

(.....)

7. The Value Added Tax (VAT) for convenience goods is ultimately paid by the

- | | | |
|------------------|------------------|---------------|
| (1) producer. | (2) retailer. | (3) consumer. |
| (4) distributor. | (5) wholeseller. | |

(.....)

8. How does an increase in the statutory reserve ratio imposed by the Central Bank of Sri Lanka impact the lending capacity of commercial banks and borrowing cost of businesses?

	Lending capacity	Borrowing cost
(1)	Decrease	Increase
(2)	Increase	Decrease
(3)	No change	No change
(4)	Decrease	Decrease
(5)	Increase	Increase

(.....)

9. The following are some financial instruments.

- | | |
|-----------------------|------------------------------|
| A – Sovereign bonds | B – Certificates of deposits |
| C – Treasury bills | D – Share warrants |
| E – Debentures | F – Treasury bonds |
| G – Development bonds | H – Commercial papers |
| I – Equity shares | J – Corporate bonds |

Out of the above, what is the option that contains only financial instruments issued by companies?

- | | | |
|-------------------|-------------------|-------------------|
| (1) A, E, G, H, I | (2) B, D, F, H, I | (3) B, E, F, G, I |
| (4) D, E, H, I, J | (5) D, F, H, I, J | |

(.....)

10. 'A business merger' means

- (1) closing down some of the operations of a business.
- (2) acquiring a business by another business.
- (3) diversifying a product portfolio of a business.
- (4) diversifying market portfolio of a business.
- (5) joining two companies to form a new entity.

(.....)

11. The process of converting entrepreneurial ideas into practice is called as
 (1) discovering. (2) designing. (3) harvesting.
 (4) actualizing. (5) experimenting. (.....)
12. The main characteristic of an intraprenuer is
 (1) taking high risk within a business.
 (2) encouraging the owners to invest in new business ventures.
 (3) seeking novel ways to improve productivity of a business.
 (4) taking full control over business decisions.
 (5) focusing on the business vision and mission. (.....)
13. Consider the following statements **A** and **B**.
Statement A : Green entrepreneurs produce goods and services without generating profits.
Statement B : Green entrepreneurs develop innovative solutions for environmental, economic and social problems.
 Out of the above two statements,
 (1) **A** is correct and **B** is incorrect.
 (2) **A** is incorrect and **B** is correct.
 (3) both **A** and **B** are incorrect.
 (4) while both **A** and **B** are correct, **A** is elaborated through **B**.
 (5) while both **A** and **B** are correct, **B** is elaborated through **A**. (.....)
14. The National Credit Guarantee Institution Limited (NCGIL) in Sri Lanka is owned by the
 (1) semi-government sector. (2) government sector. (3) private sector.
 (4) cooperative sector. (5) public and private sector. (.....)
15. Following are some of the facilities offered by commercial banks of Sri Lanka for their account holders.
 A – Cheque deposits B – Automated Teller Machine (ATM)
 C – Mobile banking D – Overdraft
 E – Short Message Service (SMS) F – Interests for deposits
 G – Cash advance H – Cheque books
 Out of the above, what is the option that contains the facilities obtained only by both current and savings account holders?
 (1) A, B, C, E (2) A, C, E, F (3) B, C, E, G
 (4) B, C, G, H (5) D, E, F, G (.....)
16. The following table shows some of the payment modes and their features.
- | Payment Modes | Features |
|---------------------|-----------------------|
| (i) Bank transfer | A - Buy now pay later |
| (ii) Debit card | B - App based |
| (iii) Credit card | C - Bank to bank |
| (iv) Digital wallet | D - Instant deduction |
| (v) Cash | E - Instant payment |
- What is the option that most correctly matches the features according to the order of payment modes?
 (1) B, A, C, D, E (2) C, A, D, E, B (3) C, D, A, B, E
 (4) E, D, A, B, C (5) E, D, A, C, B (.....)
17. What is the insurance coverage that provides financial protection to businesses against product recalls?
 (1) Fire insurance (2) General liability insurance
 (3) Goods in transit insurance (4) Employee liability insurance
 (5) Product liability insurance (.....)

18. The following table shows some electronic platforms and their unique tasks for businesses.

Electronic Platforms	Tasks
(i) Zoom	A - Professional network
(ii) X (Twitter)	B - Video-based advertising
(iii) YouTube	C - AI powered business insights
(iv) LinkedIn	D - Live virtual meetings
(v) ChatGPT	E - Share short messages

What is the option that correctly matches the tasks in the order of electronic platforms given above?

- (1) B, A, D, E, C (2) B, D, C, A, E (3) C, D, E, A, B
(4) D, E, B, A, C (5) D, E, C, A, B (.....)

19. The entire process of moving, storing and delivering goods is called as

- (1) purchasing. (2) transport. (3) logistics.
(4) procurement. (5) distribution. (.....)

20. Following are some strategies adopted by a business.

- | | |
|-------------------------|-----------------|
| A – Franchises | B – Outsourcing |
| C – Strategic alliances | D – Imports |
| E – Joint ventures | F – Offshores |
| G – Exports | H – Licenses |

Out of the above, what is the option that contains only collaborative strategies adopted by a business to enter into international markets?

- [illegible]

21. From the following, select the example that correctly describes a B2C transaction.

- (1) A local apparel manufacturer imports a large quantity of fabrics.
- (2) An agent sells an air ticket to a person to fly to London.
- (3) A person pays income tax to the Department of Inland Revenue.
- (4) A company pays import tariff to Sri Lankan Customs.
- (5) A person sells his car via an online platform. (.....)

22. The following table shows management functions and their descriptions.

Functions	Descriptions
(i) Planning	A - Establish accurate monitoring and measuring systems.
(ii) Organizing	B - Choose organizational goals and course of actions.
(iii) Leading	C - Motivate, coordinate and energise employees.
(iv) Controlling	D - Establish task and authority relationship.

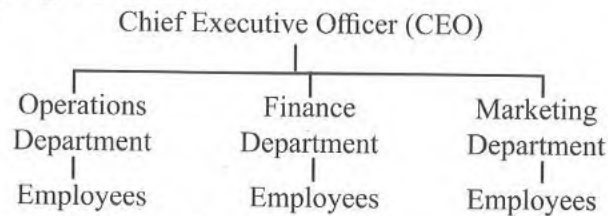
What is the option that correctly matches the description according to the order of functions?

- (1) A, C, D, B (2) B, C, D, A (3) B, D, C, A
 (4) C, B, D, A (5) C, D, A, B (.....)

23. If total fixed cost is Rs. 120,000 and contribution margin ratio is 60% what is the break-even point in rupees?

- (1) Rs. 2 000 (2) Rs. 12 000 (3) Rs. 20 000
(4) Rs. 200 000 (5) Rs. 720 000 (.....)

24. Consider the following organizational chart.



Select the option that correctly states the organizational structure represented by the diagram above.

- (1) Simple structure (2) Divisional structure (3) Functional structure
(4) Flat structure (5) Matrix structure (.....)
25. From the following, which intellectual property represents that a product or a service belongs to a particular trader?
- (1) Copyright (2) Patent (3) Trade secret
(4) Trade mark (5) Industrial design (.....)
26. The following table shows some dimensions pertaining to product mix of a company and some descriptions relating to them.

Dimensions	Descriptions
(i) Width	A - The variety within each product line
(ii) Length	B - Number of different product lines
(iii) Depth	C - Product lines that use the same distribution channel
(iv) Consistency	D - Total number of products within entire product lines

What is the option that correctly matches the descriptions according to the order of dimensions given above?

- (1) A, C, D, B (2) B, A, D, C (3) B, D, A, C (4) D, A, C, B (5) D, B, A, C (.....)
27. The following table shows some employee training methods and their descriptions.

Training Methods	Descriptions
(i) Coaching	A - Learning by imitating real-life scenarios
(ii) Simulation	B - Learning different job roles
(iii) On-the-job	C - Learning outside the job environment
(iv) Job rotation	D - Learning while performing the job
(v) Off-the-job	E - Learning with one-on-one guidance

What is the option that correctly matches the descriptions in the order of training methods?

- (1) A, C, D, B, E (2) C, A, D, B, E (3) C, E, B, D, A
(4) E, A, D, B, C (5) E, D, A, C, B (.....)
28. Which of the following factor shows the employee performance in a business?
- (1) Employee productivity (2) Labour disputes
(3) Employee attendance (4) Number of hours worked
(5) Number of training hours (.....)

29. Following shows data and information relating to a business.

A - Average daily sales: 5 units	B - Daily sales: 100 units
C - Average turnover ratio: 3%	D - Debtors' turnover ratio: 10%
E - Total performance score: 93	F - Purchases: 300 units
G - Inventory amount: 1 000 units	H - Upward sales trend: Rs. 100 000

Out of the above, what is the option that contains only information?

- (1) A, B, C, D, H (2) A, C, D, E, H (3) B, C, D, F, G
(4) D, E, F, G, H (5) D, E, F, H, G (.....)

30. What information system collects, processes, stores, and disseminates data to assist managers to make decisions?
- (1) Executive Support Systems (ESS)
 - (2) Management Information Systems (MIS)
 - (3) Decision Support Systems (DSS)
 - (4) Transaction Processing Systems (TPS)
 - (5) Knowledge Work Systems (KWS) (.....)

● Answer Question No. 31 to 40, by filling in the blanks with a **suitable word/words**.

31. (a) A desire for a particular good that enhances human satisfaction is referred to as whereas, a fundamental requirement that is essential for human survival is referred to as
- (b) As a partnership does not have a separate entity, liabilities of partners are
32. (a) The Value Added Tax (VAT) standard rate in Sri Lanka is percent whereas the maximum Advance Personal Income Tax (APIT) rate is percent.
- (b) Sending an annual financial report to shareholders is an example for communication media and discussing a project idea with a colleague at a restaurant is an example for communication media.
33. (a) In preparing S&P SL 20 price index the relevant 20 companies are selected based on liquidity, financial and market
- (b) Business diversification is an example for a long-term decision and dividend decision is an example for a long-term decisions.
34. (a) A 'process-oriented' approach that focuses on preventing defects is quality whereas a 'product-oriented' approach that focuses on detecting defects is quality
- (b) The time taken to produce one unit of a product is called as time, whereas the time taken from placing an order to receiving it is called as time.
35. (a) Attracting a specific customer group for a product is called as a market whereas creating a positive image for a product in their minds is market
- (b) A chocolate wrapper is an example for packaging and a box containing several chocolates is an example for packaging.
36. (a) A high gearing ratio of a company indicates a greater reliance on finance, whereas, a low gearing ratio indicates a greater reliance on finance.
- (b) The amount paid by investors above the nominal value of shares is called as the share and profit earned from selling shares at a price higher than their purchase price is called as a gain.
37. (a) Increasing more tasks in a job is called as job whereas, increasing more autonomy in a job is called as job
- (b) An action where an employer ends the employee's service due to a misconduct is called as and a resignation scheme for excess staff on the payment of compensation is called as resignation.

38. (a) A key highlight of a business plan is presented through an summary and the way in which a business presents its entire production process is called as a plan.
- (b) A computer network covering in an office is an example for area network and a computer network covering a country is an example for area network.
39. (a) ISO focuses on Environmental Management Systems and ISO focuses on Energy Management Systems.
- (b) The right of an insurance company to request reimbursement from the fault party is called as principle whereas the principle of paying claim for same coverage by several insurance companies is called as
40. (a) Before goods are shipped, the exporter sends a invoice to the importer and after the goods are shipped a invoice will be sent to the importer.
- (b) Exporting of goods that have been value added after imported is trade and the process of moving goods from one ship to another ship at an intermediate port before reaching the final destination is called

● Answer question No. 41 - 50, writing the **suitable answers** in the space provided.

41. Write **four** ways in which a sole trader can raise capital for a start-up.

- (1)
- (2)
- (3)
- (4)

42. Mention **four** types of cooperative businesses in Sri Lanka.

- (1)
- (2)
- (3)
- (4)

43. Mention **four** payment modes that can be used to pay an exporter in international trade.

- (1)
- (2)
- (3)
- (4)

44. State **four** benefits of using cloud-based computing for a business.

- (1)
- (2)
- (3)
- (4)

45. State **four** categories of factory layouts.

- (1)
 (2)
 (3)
 (4)

46. Name **four** parties in a supply chain of an automobile business.

- (1)
 (2)
 (3)
 (4)

47. Write **four** ways in which management contributes in achieving the objectives of a company.

- (1)
 (2)
 (3)
 (4)

48. Name **four** categories of financial institutions according to the classification of the Central Bank of Sri Lanka.

- (1)
 (2)
 (3)
 (4)

49. Mention correctly whether each of the instance given below is a Strength, Weakness, Opportunity or a Threat (SWOT) for a business.

Instances	SWOT
(A) Partnering with universities	(1)
(B) Conducting efficient training programs	(2)
(C) Lack of skills in the labour market	(3)
(D) Showing poor employee commitment	(4)

50. Write the correct name for each of the following internationally used currency abbreviations given below.

- (1) USD :
 (2) JPY :
 (3) GBP :
 (4) LKR :

* * *

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Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka
ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව ශ්‍රී ලංකා විභාග දෙපාර්තමේන්තුව
இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரීட்சைத் திணைக்களம் இலங்கைப் பரīட்சைத் திணைக்களம் இலங்கைப் பரīட்சைத் திணைக்களம்
Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka Department of Examinations, Sri Lanka

අධ්‍යයන පොදු සහතික පත්‍ර (උසස් පෙළ) විභාගය, 2025
கல்விப் பொதுத் தராதரப் பத்திர (உயர் தர)ப் பரீட்சை, 2025
General Certificate of Education (Adv. Level) Examination, 2025

ව්‍යාපාර අධ්‍යයනය II
வணிகக் கல்வி II
Business Studies II

32 E II

පැය තුනයි
மூன்று மணித்தியாலம்
Three hours

අමතර කියවීමේ කාලය - මිනිත්තු 10 යි
மேலதிக வாசிப்பு நேரம் - 10 நிமிடங்கள்
Additional Reading Time - 10 minutes

Use additional reading time to go through the question paper, select the questions you will answer and decide which of them you will prioritise.

Instructions:

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

Part I

1. 'Best Leaves' hotel was founded by two engineers who are new to the industry. It employs fifty experienced and skilled, permanent and daily-paid employees who provide a dedicated service to its customers. However, the owners have observed that the turnover of daily-paid employees is above the industry average. The hotel make sure that its customers' privacy is always protected while they are treated respectfully at all times. The hotel always ensures the accommodation of the guests is clean, safe and elegant while the food served are delicious, organic and healthy to meet customers' expectations. Although the government promotes tourism through foreign embassies and other promotional campaigns there is a resistance posed by certain pressure groups to the tourism industry.
 - (i) (a) Indicate **two** customer needs fulfilled by the Best Leaves Hotel. (02 marks)
 - (b) Mention **two** customer wants the Best Leaves hotel focuses on. (02 marks)
 - (ii) (a) State **two** ways the Best Leaves Hotel can contribute for the development of the economy. (02 marks)
 - (b) Identify **two** strategies this hotel adopts to attract customers. (02 marks)
 - (iii) (a) Write **four** stakeholders mentioned in the above case. (02 marks)
 - (b) Identify an opportunity and a threat the tourism industry encounters based on the case given. (02 marks)
 - (iv) Mention **two** weaknesses of the Best Leaves Hotel and briefly explain an impact from each one of them to the hotel. (04 marks)
 - (v) (a) Suggest **two** initiatives this hotel can adopt to maintain environmental sustainability. (02 marks)
 - (b) Describe **two** ethical practices this hotel can follow. (02 marks)

(Total 20 marks)
2. Ayesha and Ruwini established a small scale partnership. This business sells traditional handicraft items produced using local raw materials. The partnership was registered under the Business Names Ordinance as 'Nirmanani' and for other legal requirements, it was registered with the Department of Labour.
 - (i) (a) How does a partnership agreement differ from a partnership deed? (02 marks)
 - (b) State **two** benefits of a partnership deed to the business. (02 marks)

- (ii) (a) Indicate **two** reasons why Ayesha and Ruwini registered their partnership under the Business Names Ordinance. (02 marks)
- (b) Explain why it is necessary to register the business which mentioned in the above case in the Department of Labour. (02 marks)
- (iii) (a) Write **two** limitations of a partnership compared to a private limited company. (02 marks)
- (b) Name the category to which this partnership belongs to as per the nature of production according to the business classification, providing a reason for that. (02 marks)
- (iv) (a) Indicate **two** advantages the economy can gain by using local raw materials. (02 marks)
- (b) Propose **two** methods Ayesha and Ruwini can adopt to increase the sales volume of their business among tourists. (02 marks)
- (v) (a) Could this business open a current account in the name of "Nirmani"? Provide a reason for your answer. (02 marks)
- (b) Indicate the difference between crossing of cheques as 'not negotiable' and 'A/C payee only'. (02 marks)
- (Total 20 marks)
3. (i) (a) Explain how an entrepreneur differs from entrepreneurship. (02 marks)
- (b) Explain **two** ways in which competition affects the success of entrepreneurs. (02 marks)
- (ii) (a) Write **two** differences between bank money and near money. (02 marks)
- (b) What is meant by 'restricted endorsement' of a cheque? (02 marks)
- (iii) (a) Write **two** advantages a business can obtain through Specialized Leasing Companies. (02 marks)
- (b) Provide **two** reasons as to why price stability of an economy is important for a business. (02 marks)
- (iv) (a) Explain the role of the Insurance Regulatory Commission of Sri Lanka (IRCSL). (02 marks)
- (b) State **four** types of general insurance offerings provided by insurance companies in Sri Lanka. (02 marks)
- (v) (a) Describe **two** disadvantages of using social media for a business. (02 marks)
- (b) Explain **two** advantages of disintermediation in e-commerce for a customer. (02 marks)
- (Total 20 marks)
4. (i) (a) Write **two** advantages of using digital technology in logistics for a business. (02 marks)
- (b) Name **two** instances where certain products must be delivered to customers quick and fast. (02 marks)
- (ii) (a) State **four** benefits of an automated storage system for a business. (02 marks)
- (b) Differentiate between a 'commission agent' and 'broker'. (02 marks)
- (iii) (a) Write **two** advantages an importer can obtain through containerization in transport. (02 marks)
- (b) What is the difference between Free on Board (FOB) and Cost, Insurance and Freight (CIF) pricing? (02 marks)
- (iv) (a) Write **two** purposes of certificate of origin used in international business. (02 marks)
- (b) Explain how electronic business differ from electronic commerce. (02 marks)
- (v) State **four** advantages of using a Computer Integrated Manufacturing (CIM) method for a production firm. (04 marks)
- (Total 20 marks)

Part II

5. Maya and Chaya established an apparel manufacturing factory in Jaffna. Maya, the managing director of the firm adapts her leadership style according to the different behavioural types of subordinates and the nature of the tasks. In the meantime, Chaya, the operations manager is considering ways and means to increase the productivity as the production cost of this firm has sky-rocketed compared to the industry average.
- (i) (a) Name the leadership style Maya adopts. (02 marks)
 (b) Write **two** reasons why leaders should adapt their behaviour according to the nature of the tasks. (02 marks)
 - (ii) (a) Suggest **two** ways the labour productivity of this factory could be improved. (02 marks)
 (b) Indicate **four** sources of power available to Maya to make business decisions. (02 marks)
 - (iii) (a) Write **two** advantages a manufacturer can obtain by adhering to international standards in apparel manufacturing. (02 marks)
 (b) Describe how quality assurance helps to minimize production wastage. (02 marks)
 - (iv) (a) What is meant by 'statistical process control'? (02 marks)
 (b) State **two** advantages this business can obtain by applying statistical process control in production. (02 marks)
 - (v) Following are some data related to Maya and Chaya's business in August 2025.
 Actual production - 17 800 units
 Actual raw material usage - 10 500 kg
 Standard raw material usage per unit - 0.5 kg
 Standard raw material cost - Rs. 4.50/kg
 Calculate the raw material usage variance and provide a reason for such variance. (04 marks)
 (Total 20 marks)
6. Amal started a shoe manufacturing factory in Galle, recognizing the growing demand for children's footwear. He surveyed parents' and children's interests and expectations in deciding the marketing mix. Then Amal created an attractive brand called "Kita" and launched advertising and promotional campaigns targeting children and parents. Sales of children's footwear doubled compared to the previous year. However, Amal experienced a cashflow issue.
- (i) (a) Indicate the marketing concept used by Amal for his products. (02 marks)
 (b) What is the difference between advertising and publicity? (02 marks)
 - (ii) (a) Write **two** characteristics of a good brand name. (02 marks)
 (b) Suggest **two** bases Amal can use to segment the children's footwear market. (02 marks)
 - (iii) (a) Mention **two** product attributes to be considered in designing footwear for children. (02 marks)
 (b) Identify the stage at which Kita brand footwear is positioned in the product life cycle (PLC), with a reason. (02 marks)
 - (iv) (a) State **two** factors to be considered in setting the price for children's footwear. (02 marks)
 (b) Write **two** possible reasons for the cashflow issue Amal has faced even though sales increased. (02 marks)
 - (v) Amal plans to expand his business using either personal savings or bank loans. Which option would you recommend to him? Provide **two** advantages and **two** disadvantages for your recommended option. (04 marks)
 (Total 20 marks)

7. (i) (a) What is venture capital? (02 marks)
 (b) Explain the difference between primary and secondary markets of treasury bills. (02 marks)
- (ii) (a) Write **two** purposes of capitalizing reserves of a company. (02 marks)
 (b) What is the difference between Return on Equity (ROE) and Return on Investment (ROI)? (02 marks)
- (iii) (a) Explain **two** differences between 'one-on-one interviews' and 'panel interviews'. (02 marks)
 (b) Write **two** factors causing organizational stress for employees. (02 marks)
- (iv) (a) Describe **two** benefits of performance evaluation for an employee. (02 marks)
 (b) Explain **two** negative impacts internal employees encounter by recruiting employees externally. (02 marks)
- (v) (a) State **two** benefits of using Human Resource Information Systems (HRIS) for human resource managers. (02 marks)
 (b) Explain **one** of the following:
 1. Internet of Things (IoT)
 2. One Time Password (OTP) (02 marks)
- (Total 20 marks)
8. (i) (a) Indicate **four** ways of enhancing business communication through information technology. (02 marks)
 (b) Explain the difference between 'real-time data processing' and 'batch data processing'. (02 marks)
- (ii) (a) Mention **two** advantages of using a payment gateway for owners of a business. (02 marks)
 (b) Suggest **two** instances where a market research is required for a business plan. (02 marks)
- (iii) (a) Write **two** benefits of having a written business plan for an organization. (02 marks)
 (b) What is meant by 'production overhead cost'? (02 marks)
- (iv) (a) Explain how a company's vision becomes instrumental in formulating a business plan. (02 marks)
 (b) Briefly explain how skilled labour migration in the country affects business planning in the manufacturing sector. (02 marks)
- (v) (a) What is 'working capital management'? (02 marks)
 (b) Briefly explain **two** non-financial measures used to evaluate business performance. (02 marks)
- (Total 20 marks)
