



SUBJECT:	Business Studies
PAPER NUMBER:	I
DATE:	8 th May 2024
TIME:	9:00 a.m. to 11:05 a.m.

This paper consists of eight questions of 10 marks each.

Answer **ALL** questions.

Candidates are to write the question number and letter in the margin of the booklet provided.

1. (a) Define the terms primary sector, secondary sector and tertiary sector? (3)
 - (b) Briefly explain the main factor that distinguishes business enterprises in private sector from those in the public sector. (2)
 - (c) Malta is a member of the European Union and two of Malta's main trading partners are Germany and France. List **TWO** aspects how being a member of the European Union helps Maltese traders. (2)
 - (d) Mention **TWO** ways in which a business can be described as operating ethically and **ONE** way in which it would be described as operating unethically. (3)
- (Total: 10 marks)**

2. (a) List **ONE** advantage and **ONE** disadvantage of being a sole trader. (2)
 - (b) Explain **TWO** main reasons why a sole trader might **not** want to convert their business into a partnership. (2)
 - (c) Compare and contrast a private limited company vis-à-vis a public limited company in terms of: (i) ownership and (ii) risk. (3)
 - (d) Public sector enterprises can provide goods and services people need that private sector firms are unwilling or unable to produce. Discuss. (3)
- (Total: 10 marks)**

3. Inventory is one of the most important assets of a business. Holding too much or too little can reduce productivity.
 - (a) Define the following and highlight their importance:
 - (i) minimum order level;
 - (ii) maximum order level; and
 - (iii) re-order level. (3)
 - (b) List **ONE** advantage and **ONE** disadvantage of overstocking. (2)
 - (c) Briefly describe the **THREE** main methods of production, i.e. job production, mass production and batch production. (3)
 - (d) Identify **TWO** economies of scale that a business organisation is likely to benefit from if it expands the scale of its production. (2)

(Total: 10 marks)

Please turn the page.

4. (a) Marketing is not just about advertising and selling a good or service. Briefly explain **TWO** important roles of the Marketing Department within a business organisation. (2)
- (b) There are two main forms of research methods: primary research and secondary research. Briefly explain the difference between the two. (2)
- (c) What do you understand by market segmentation? Mention **TWO** common ways how a market can be segmented. (3)
- (d) What do you understand by product life cycle? List the **FOUR** main stages in the life cycle of any product. (3)

(Total: 10 marks)

5. (a) What is a commercial bank? Name **ONE** service commercial banks offer to businesses and briefly explain what it entails. (4)
- (b) Explain the difference between the firm's income and the firm's profit. (2)
- (c) The Financial Statements of Michael Borda as at 31 December 2023 showed the following figures:

	€
Inventory at 31 December 2023	65,000
Total current assets (including inventory)	345,000
Total current liabilities	105,000

Using the figures provided above, calculate:

- (i) the Working Capital ratio (Current ratio); and (2)
- (ii) the Quick Assets ratio (Acid Test ratio). (2)

Show the formula used and give your answer to two decimal places.

(Total: 10 marks)

6. (a) People work for a variety of reasons. The main reason is because they need to earn money to buy food and the basic necessities for life. Briefly explain **TWO** other reasons why people work. (2)
- (b) How does an autocratic manager differ from a democratic manager? (2)
- (c) List **THREE** functions of trade unions. (3)
- (d) Define the following terms:
- (i) redundancy; (1)
- (ii) involuntary dismissal; and (1)
- (iii) voluntary dismissal. (1)

(Total: 10 marks)

7. Mary Mizzi received an email from her employer, asking her to confirm the number of hours she had worked the previous week, since there was a problem with the time sheets. In turn, Mary replied to the email clearly stating the hours she had worked each day, and listing the days on which she had taken leave.

- (a) What type of communication is being referred to in the situation above: internal communication or external communication? Explain your answer. (3)
- (b) Using the situation outlined above, identify:
 - (i) the transmitter; (1)
 - (ii) the medium of communication; (1)
 - (iii) the receiver; and (1)
 - (iv) the feedback provided. (1)
- (c) List **ONE** advantage of oral communication. (1)
- (d) Identify **ONE** common barrier to effective communication and suggest a way to reduce or remove such a barrier. (2)

(Total: 10 marks)

8. (a) List **THREE** ways by which Jobsplus can help support individuals to seek and obtain appropriate employment opportunities. (3)
- (b) Why is the Malta Stock Exchange important to investors? Provide **ONE** main reason. (2)
- (c) Pressure groups are becoming increasingly powerful. Briefly explain what is a pressure group. Give **ONE** example of a local **or** international pressure group. (3)
- (d) What is the main role of the following?
 - (i) Malta Enterprise; and (1)
 - (ii) The Malta Chamber of Commerce, Enterprise and Industry. (1)

(Total: 10 marks)



SUBJECT:	Business Studies
PAPER NUMBER:	IIA
DATE:	9 th May 2024
TIME:	9:00 a.m. to 11:05 a.m.

This paper consists of six questions.

Answer **Question 1** from Section A and **any THREE** questions from Section B.

Candidates are to write the question number and letter in the margin of the booklet provided.

SECTION A

Compulsory question.

1. Foreign workers have become an essential element within Malta's logistics industry, "with their input being crucial for its ongoing development and prosperity," the Malta Employers Association (MEA)," has said. "By embracing the skills and abilities they offer, addressing hurdles while advocating for fair and inclusive employment practices, a thriving and enduring logistics sector in Malta can be guaranteed," the MEA said.

This was the key message emerging from the SME National Forum 2023, hosted by the Malta Employers Association, which this year focused on the HR challenges of foreign workers in the logistics industry. Introducing the event, MEA President Joanne Bondin noted how foreign workers have become indispensable in sustaining and accelerating economic growth. "EU and third country nationals have filled employment gaps in the logistics sector that might have otherwise hindered its development. They augment the labour force, enabling companies to meet the escalating demand for their services".

MEA Director General Joseph Farrugia highlighted how despite soaring numbers of foreign workers, many firms struggle as these tend to leave the island after less than a year. "We need to understand why this is happening, and often, this is unrelated to wages. Rather, it is related to other factors, including the cost of rent, the difficulty to bring their family over and other external costs they face. These are all issues that need to be considered to ensure better worker retention", he explained.

MEA consultant Kirsten Cutajar Miller shared an in-depth presentation giving the context related to the presence of foreign workers in Malta in the logistics industry. "She noted how in 2021, out of 8,185 people who were employed in the sector, the share of foreigners, whether full-time or part-time reached 18.7%, up from 2.9% in 2010. The share of third country nationals exceeds 49% in 2021, increasing sharply since 2018," the MEA said. "In the wider private sector, the share of foreign workers is at times higher, with one of the most recent MEA surveys finding that one in four firms reported that more than 50% of their employees are non-Maltese."

(Text adapted from "Foreign workers have become an essential element in Malta's logistic industry, MES says", A. Camilleri, *The Malta Business Weekly*, 1 November 2023)

This question continues on next page.

- a) What is meant by the term demographic trends? (1)
- b) Evaluate the impact of the increase in population identifying **ONE** benefit and **ONE** disadvantage for Malta. (2)
- c) What is meant by the term employment in the private sector? (1)
- d) Briefly analyse the local trends in employment in the private sector. Give examples by referring to **TWO** Maltese industries. (4)
- e) Mention **THREE** objectives of employee training. (3)
- f) Foreigners have become an essential element in the labour market. Briefly explain **FOUR** important training needs to address this new situation. (4)
- g) Name **THREE** different types of training methods. (3)
- h) Between 2019 and 2021, 90% of workplace fatalities occurred in the construction industry. Suggest **TWO** recommendations to authorities and stakeholders for increased safety and fairness for workers in the sector. (4)
- i) List the **FIVE** tiers in Maslow's Hierarchy of needs, starting from the lower need. (5)
- j) The Employment Relations and Industrial Relations Act ('EIRA') is the primary law governing employment conditions. Name **THREE** conditions that are governed by the employment regulations. (3)

(Total: 30 marks)

SECTION B

This section consists of five questions.

Answer any THREE questions from this section.

- 2. a) Define fair trade. (2)
- b) Using **TWO** examples, differentiate between a market economy and a planned economy. (4)
- c) Explain **THREE** reasons why an economy functions better as a mixed economic system. (6)
- d) Business organisations have different objectives.
 - (i) List **THREE** business objectives of a business organisation; (3)
 - (ii) Explain **ONE** of the objectives mentioned in d)(i) above; (2)
 - (iii) Explain **ONE** potential conflict between business objectives. (3)

(Total: 20 marks)

- 3. a) Define privatisation and nationalisation and mention **ONE** advantage of **each**. (4)
- b) State **TWO** difficulties that public-private partnerships may find. (2)
- c) Provide **THREE** differences between centralisation and delegation. (6)
- d) Explain **FOUR** ways how businesses can foster a culture of collaboration and involvement among employees to promote employee participation and satisfaction. (8)

(Total: 20 marks)

- 4. a) Define economies of scale. (2)
- b) Determine the role of the Government in addressing positive and negative externalities and give **TWO** examples of what the Government can do to address these issues. (6)
- c) Differentiate between formal and informal communication networks and give **ONE** example of **each**. (4)
- d) Mention **TWO** advantages and **TWO** disadvantages of the use of social media platforms as a means of communication. (8)

(Total: 20 marks)

5. a) Define understocking. (2)
- b) List **FOUR** factors a business should consider when choosing suppliers and explain **ONE** of the factors mentioned. (6)
- c) Mention **TWO** reasons for the need of using a cash budget. Give **ONE** example of a cash inflow and **ONE** example of a cash outflow. (6)
- d) Distinguish between revenue expenditure and capital expenditure. Justify why the monthly maintenance of machinery is a revenue expenditure and **not** a capital expenditure. (6)
- (Total: 20 marks)**

6. a) Define marketing mix. (2)
- b) Distinguish between price skimming and penetration pricing. Give **ONE** example of a product or service where **each** of these pricing strategies are best used. (6)
- c) Explain **TWO** ways how packaging influences consumer behaviour and contributes to the overall product experience. (8)
- d) List **FOUR** ways how one can advertise and promote the opening of a new gym. (4)
- (Total: 20 marks)**



SUBJECT:	Business Studies
PAPER NUMBER:	IIB
DATE:	9 th May 2024
TIME:	9:00 a.m. to 11:05 a.m.

This paper consists of six questions.

Answer **Question 1** from Section A and **any THREE** questions from Section B.

Candidates are to write the question number and letter in the margin of the booklet provided.

SECTION A

Compulsory question.

1. Foreign workers have become an essential element within Malta's logistics industry, "with their input being crucial for its ongoing development and prosperity," the Malta Employers Association (MEA)," has said. "By embracing the skills and abilities they offer, addressing hurdles while advocating for fair and inclusive employment practices, a thriving and enduring logistics sector in Malta can be guaranteed," the MEA said.

This was the key message emerging from the SME National Forum 2023, hosted by the Malta Employers Association, which this year focused on the HR challenges of foreign workers in the logistics industry. Introducing the event, MEA President Joanne Bondin noted how foreign workers have become indispensable in sustaining and accelerating economic growth. "EU and third country nationals have filled employment gaps in the logistics sector that might have otherwise hindered its development. They augment the labour force, enabling companies to meet the escalating demand for their services".

MEA Director General Joseph Farrugia highlighted how despite soaring numbers of foreign workers, many firms struggle as these tend to leave the island after less than a year. "We need to understand why this is happening, and often, this is unrelated to wages. Rather, it is related to other factors, including the cost of rent, the difficulty to bring their family over and other external costs they face. These are all issues that need to be considered to ensure better worker retention", he explained.

MEA consultant Kirsten Cutajar Miller shared an in-depth presentation giving the context related to the presence of foreign workers in Malta in the logistics industry. "She noted how in 2021, out of 8,185 people who were employed in the sector, the share of foreigners, whether full-time or part-time reached 18.7%, up from 2.9% in 2010. The share of third country nationals exceeds 49% in 2021, increasing sharply since 2018," the MEA said. "In the wider private sector, the share of foreign workers is at times higher, with one of the most recent MEA surveys finding that one in four firms reported that more than 50% of their employees are non-Maltese."

(Text adapted from "Foreign workers have become an essential element in Malta's logistic industry, MES says", A. Camilleri, *The Malta Business Weekly*, 1 November 2023)

This question continues on next page.

- a) What is meant by the term demographic trends? (2)
- b) Mention **ONE** benefit and **ONE** disadvantage for Malta resulting from the increase in population. (2)
- c) What is meant by the term employment in the private sector? (2)
- d) Briefly analyse the local trends in employment in the private sector. Give examples by referring to **TWO** Maltese industries. (4)
- e) Mention **TWO** objectives of employee training. (2)
- f) Name **FOUR** important training needs given that foreigners have become an essential element in the labour market. (4)
- g) Name **THREE** different types of training methods. (3)
- h) What is job rotation? Name **TWO** benefits of job rotation. (4)
- i) Between 2019 and 2021, 90% of workplace fatalities occurred in the construction industry. Suggest **TWO** recommendations to authorities and stakeholders for increased safety and fairness for workers in the sector. (4)
- j) The Employment Relations and Industrial Relations Act ('EIRA') is the primary law governing employment conditions. Name **THREE** conditions that are governed by the employment regulations. (3)

(Total: 30 marks)

SECTION B

This section consists of five questions.

Answer any THREE questions from this section.

2. a) Choose the correct word from the following table to complete the sentences below. Each word may be used only once. Write the answers on the booklet provided. (6)

planned	allocation	government
ethical	fair	market

_____ (i) _____ trade is an approach to international trade that aims to support farmers and workers in developing countries by ensuring they receive fair prices for their products. This focuses on promoting _____ (ii) _____ practices, sustainability, and social responsibility in the supply chain. The _____ (iii) _____ of resources in a _____ (iv) _____ economy is done by the price system while in a _____ (v) _____ economy, it is done by the _____ (vi) _____.

- b) Mention and explain **THREE** reasons why an economy functions better as a mixed economic system. (6)
- c) Business organisations have different objectives.
 - (i) List **THREE** business objectives of a business organisation; (3)
 - (ii) Explain **ONE** of the objectives mentioned in c)(i) above; (2)
 - (iii) Explain **ONE** potential conflict between business objectives. (3)

(Total: 20 marks)

3. a) Choose the correct word from the following table to complete the sentences below. Each word may be used only once. Write the answers on the booklet provided. (6)

public	inequalities	control
nationalisation	private	privatisation

_____ (i) _____ is the process of transferring ownership and _____ (ii) _____ of government-owned enterprises to private institutions. _____ (iii) _____ involves the government taking ownership and control of private businesses or industries, making them state-owned. This is done to achieve strategic goals, such as addressing economic _____ (iv) _____. Public-private partnerships are collaborative ventures between public and _____ (v) _____ entities. In these partnerships, public and private sectors work together to provide _____ (vi) _____ services.

- b) Give **THREE** differences between centralisation and delegation. (6)
- c) Explain **FOUR** ways how businesses can foster a culture of collaboration and involvement among employees to promote employee participation and satisfaction. (8)

(Total: 20 marks)

4. a) Choose the correct word from the following table to complete the sentences below. Each word may be used only once. Write the answers on the booklet provided. (6)

informal	lower	formal
production	vertical	efficiency

Economies of scale refer to the cost advantages that a business can achieve as it increases its level of _____ (i) _____. This often leads to _____ (ii) _____ production costs per unit and improved _____ (iii) _____ in operations. Effective communication is important in running the business. Official communication sent by email is a type of _____ (iv) _____ communication. Formal communication may be either _____ (v) _____ or horizontal while _____ (vi) _____ communication follows no set route.

- b) Determine the role of the Government in addressing positive and negative externalities and give **TWO** examples of what the Government can do to address the issue. (6)
- c) Mention **TWO** advantages and **TWO** disadvantages of the use of social media platforms as a means of communication. (8)

(Total: 20 marks)

Please turn the page.

5. a) Choose the correct word from the following table to complete the sentences below. Each word may be used only once. Write the answers on the booklet provided. (8)

capital	customer	stock	revenue
sales	costs	dissatisfied	understocking

_____ (i) _____ control involves managing the levels of inventory. Efficient stock control is crucial for meeting _____ (ii) _____ needs. _____ (iii) _____ occurs when a business maintains insufficient levels of stock to meet customer demand. This situation can lead to loss of _____ (iv) _____ and _____ (v) _____ customers. Expenditure includes all the _____ (vi) _____ incurred by a business. _____ (vii) _____ expenditure is money spent on the day-to-day running of the business, while _____ (viii) _____ expenditure is when the business invests in long-term assets.

- b) List **FOUR** factors a business should consider when choosing suppliers and explain **ONE** of the factors mentioned. (6)
- c) Mention **TWO** reasons for the need of using a cash budget. Give **ONE** example of a cash inflow and **ONE** example of a cash outflow. (6)

(Total: 20 marks)

6. a) Choose the correct word from the following table to complete the sentences below. Each word may be used only once. Write the answers on the booklet provided. (8)

high	demand	production	penetration
skimming	people	marketing	place

The _____ (i) _____ mix, comprises the essential elements that businesses use to influence consumer behaviour. These elements include _____ (ii) _____, price, _____ (iii) _____, promotion, _____ (iv) _____, process, and physical evidence. Price _____ (v) _____ is a pricing strategy where a business sets a _____ (vi) _____ price for a new product initially and then gradually lowers it over time. Price _____ (vii) _____ is a strategy where a business sets a lower price for a new product to gain a larger market share quickly. Equilibrium price is the point where the _____ (viii) _____ and supply in a market are equal.

- b) Explain **TWO** ways how packaging influences consumer behaviour and contributes to the overall product experience. (8)
- c) List **FOUR** ways of how one can advertise and promote the opening of a new gym. (4)

(Total: 20 marks)