



SUBJECT:	Business Studies
PAPER NUMBER:	I
DATE:	2 nd June 2021
TIME:	4:00 p.m. to 6:05 p.m.

This paper consists of ten questions of 10 marks each.

Answer **ANY EIGHT** questions.

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

1. (a) Define organisation chart. (2)
 (b) List the **FOUR** factors of production. (2)
 (c) Distinguish between chain of command and span of control. (4)
 (d) Explain **ONE** effect that Brexit (the UK leaving the EU) may have on Malta. (2)
(Total: 10 marks)

2. (a) List **TWO** purposes of communication. (2)
 (b) Distinguish between downward, upward and horizontal communication. (3)
 (c) The use of technology has changed the way we communicate. Explain **THREE** ways in which technology facilitated communication during the pandemic of COVID-19. (3)
 (d) Give **TWO** reasons why effective communication in a business organisation is needed. (2)
(Total: 10 marks)

3. (a) Define stock control. (2)
 (b) Distinguish between Balance of Trade and Balance of Payments. (2)
 (c) What is meant by multinational companies? (2)
 (d) Explain the terms understocking and overstocking and give **ONE** disadvantage for **each**. (4)
(Total: 10 marks)

4. (a) Define barter. (2)
 (b) List and explain **TWO** problems with the barter system. (4)
 (c) With advances in technology, we are seeing an increase in the use of contactless payments. Mention **TWO** benefits of contactless payments. (2)
 (d) Distinguish between income and expenditure. (2)
(Total: 10 marks)

5. (a) Define unemployment. (2)
 (b) Distinguish between seasonal and structural unemployment. (2)
 (c) List **TWO** reasons why it is beneficial for employees to join a Trade Union. (2)
 (d) Explain **TWO** actions that a Trade Union can take during an industrial dispute. (4)
(Total: 10 marks)

Please turn the page.

6. (a) Define marketing mix. (2)
(b) Explain any **TWO** of the seven Ps of the marketing mix. (3)
(c) Give **ONE** advantage of operating in a niche market and **ONE** advantage of operating in a mass market, from the point of view of either the seller or the buyer. (2)
(d) Define the product life cycle and mention any **TWO** stages found within the cycle. (3)
(Total: 10 marks)
7. (a) Define depreciation. (2)
(b) Distinguish between non-current (fixed) assets and current assets, giving **ONE** example for each. (4)
(c) Distinguish between internal and external sources of business finance. (2)
(d) Give **ONE** example of capital expenditure and **ONE** example of revenue expenditure. (2)
(Total: 10 marks)
8. (a) Which are the **TWO** main tasks of Malta Enterprise? (2)
(b) What is the role of Jobsplus? (2)
(c) List **TWO** factors that may lead to the reduction of employees. (4)
(d) Give **ONE** advantage of on-the-job training and **ONE** advantage of off-the-job training. (2)
(Total: 10 marks)
9. (a) Define franchise and give **ONE** example of a franchised business in Malta. (3)
(b) Give **ONE** advantage of being a franchisee and **ONE** advantage of being a franchisor. (2)
(c) Distinguish between a democratic and an autocratic leadership style. (4)
(d) Mention **ONE** example of what Maslow refers to as 'esteem needs'. (1)
(Total: 10 marks)
10. (a) Define business ethics. (2)
(b) List **FOUR** ways how ethical practices can be ingrained in the construction industry. (4)
(c) Give **TWO** examples of non-financial incentives used to motivate employees. (2)
(d) Explain **ONE** barrier to trade. (2)
(Total: 10 marks)



SUBJECT:	Business Studies
PAPER NUMBER:	IIA
DATE:	3 rd June 2021
TIME:	4:00 p.m. to 6:05 p.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. Mike is retired. He spent his life working as a waiter with one of the major caterers on the island. His children, John and Kelly, were always in admiration of their dad, who worked his long shifts with a smile. As they grew older they decided to follow in their dad's footsteps by joining the hospitality industry. They both continued their studies. Kelly, however, did not want to simply work for a local caterer. She wished to own her own restaurant.

Following her dreams, in 2005 Kelly bought a small shop which she turned into a café bar. She set up as a sole trader and offered John a job as chef. The two siblings were very successful and after a few years started to diversify their services. By 2010, apart from having the café bar, they started to take private orders for cakes, sweets and party food. Kelly convinced John to join her as an equal business partner of the firm. As the orders increased, Kelly and John started to employ more staff and delegate the work.

With the help of a financial adviser, in 2018, Kelly and John dissolved their partnership agreement and set up their own catering company as a limited liability company. The brother and sister act as the directors of the company and run the administrative part of the business. They have 4 managers, one to run the café bar, another to take care of private events held on their own facilities, a third manager to see to outside catering events and the fourth manager to handle the human resources of the firm. Each manager is responsible for choosing the respective employees for their section, however conditions of employment are laid out by the Human Resources department.

The business set up by Kelly and John continues to operate successfully. Mike is very proud of how far his children have come along and of how well they work together on their joint business enterprise.

- (a) (i) What is the main characteristic of the sole trader that differentiates it from the other two types of business organisations mentioned above? (1)
- (ii) List **TWO** advantages and **TWO** disadvantages of the sole trader type of business organisation. (4)
- (b) Is the sole trader type of business organisation considered to be a separate legal entity? Explain your answer. (2)
- (c) Outline **ONE** main difference between the three types of business organisations mentioned above and a public corporation. (1)

Question continues on next page.

- (d) What is the meaning of John being an equal business partner with Kelly? (2)
- (e) Discuss the differences between partnerships and limited liability companies in terms of:
 - (i) ownership, (2)
 - (ii) sources of finance, (2)
 - (iii) liability of owners. (2)
- (f) Which type of organisation structure does the limited liability company that Kelly and John set up in 2018 have? Briefly explain your answer. (3)
- (g) Is the manager of the Human Resources department a line manager or a staff manager? Briefly explain your answer. (3)
- (h) The managers of the company were given the authority of choosing the respective employees for their section. Is this typical of a centralised or a decentralised organisation? Briefly explain your answer. (2)
- (i) Sketch an organisation chart for Kelly's and John's limited liability company as set up in 2018. (3)
- (j) Considering the restrictions brought about by the COVID-19 pandemic and hence the reduction in sales through their own venues as well as for outside catering in terms of parties, weddings and other occasions, Kelly and John decided to diversify the way they reach their clients. They started to reach out to clients by setting up an online shop, allowing clients to easily browse their products and to order their goods online. They also started to deliver the goods directly to clients at home or at work.

In light of the above, explain the importance of a business's response to market changes. (3)

(Total: 30 marks)

SECTION B

This section consists of five questions.

Answer ANY THREE questions from this section.

- 2. (a) (i) Define the terms scarcity and choice. (2)
- (ii) Explain the significance of the term opportunity cost and give **ONE** example to support your answer. (3)
- (b) (i) Mention **TWO** aims of public sector enterprises. (2)
- (ii) Give **ONE** example of an enterprise found within the public sector. (1)
- (c) Quarrying, construction and selling of property fall under the different classifications of business activity. Using these examples, explain primary, secondary and tertiary production. (6)
- (d) (i) Describe **TWO** criteria which are used to measure the size of a business. (2)
- (ii) Discuss **TWO** problems that businesses may experience should they engage in rapid growth. (4)

(Total: 20 marks)

3. (a) (i) List **FOUR** services or products that individuals may acquire from a commercial bank. (4)
- (ii) List **TWO** factors that influence a firm's choice of location. (2)
- (b) Mention EU directives concerning production: **TWO** in terms of Health and Safety and **TWO** in terms of product quality. (4)
- (c) Distinguish between job, batch and mass production systems, giving **ONE** suitable example for each. (6)
- (d) The choice of supplier can be a very critical decision for a manufacturing firm. Give **TWO** reasons to justify this statement. (4)
- (Total: 20 marks)**
4. (a) (i) Define market research. (1)
- (ii) List the **FIVE** stages of market research. (5)
- (b) What is a brand name? Give **THREE** examples of brand names of your choice. (4)
- (c) (i) Give **THREE** examples of adverts that may be considered unethical. (3)
- (ii) Explain why **each** example you gave may be considered unethical. (3)
- (d) Although packaging has its external costs, it also has its advantages. Discuss **TWO** arguments in favour of using packaging in the case of food products. (4)
- (Total: 20 marks)**
5. (a) (i) Give **TWO** features of a job application letter. (2)
- (ii) List the **TWO** main items contained in a CV. (2)
- (b) List **FOUR** things one should do and **TWO** things one should avoid doing when sitting for an interview. (6)
- (c) Explain the meaning of dismissal from work and discuss the difference between dismissal from work due to redundancy and dismissal from work due to misconduct. (6)
- (d) One of the disadvantages of training employees is its cost for the firm. However, there are many benefits to be gained both by the firm as well as by the employee. State **TWO** advantages for the business in providing training and **TWO** advantages for the employee in receiving training. (4)
- (Total: 20 marks)**
6. (a) Briefly describe the role of the Planning Authority (PA) and of the Environment and Resources Authority (ERA). (6)
- (b) Describe the role of the Malta Stock Exchange from the point of view of:
- (i) investors; (2)
- (ii) businesses. (2)
- (c) What type of communication network is the grapevine? Explain your answer. (4)
- (d) List **TWO** advantages and **ONE** disadvantage of the use of emails as a means of communication. (6)
- (Total: 20 marks)**



SUBJECT:	Business Studies
PAPER NUMBER:	IIB
DATE:	3 rd June 2021
TIME:	4:00 p.m. to 6:05 p.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. Martina spent her early working years working as a kitchen assistant with one of the major caterers on the island. Following her dreams, after furthering her studies in the hospitality industry she bought a small shop which she turned into a café bar. Proud of her achievement Martina employed her brother Andrea as chef to manage the kitchen operations. The two siblings were very successful and after a few years started to diversify their services. Apart from having the café bar, they started to take private orders for cakes, sweets and party food. Martina convinced Andrea to join her as an equal business partner of the firm. As business grew, Martina and Andrea started to employ more staff and delegate the work.

In 2018, Martina and Andrea dissolved their current business set-up and founded their own catering company as a limited liability company. They are the directors of the company and run the administrative part of the business. They have 4 managers, one to run the café bar, another to take care of private events held on their own facilities, a third manager to see to outside catering events and the fourth manager to handle the human resources of the firm. Each manager is responsible for choosing the respective employees for their section, however conditions of employment are laid out by the Human Resources department.

The business was flourishing until the COVID-19 pandemic hit the industry sector. To overcome the drastic reduction in sales through their own venues as well as for outside catering in terms of parties, weddings and other occasions, the company had to diversify the way it reaches its clients. It started to reach out to clients by setting up an online shop, allowing clients to easily browse their products and to order their goods online. The company also started to deliver the goods directly to clients at home or at work. Notwithstanding the difficult time Martina and Andrea are optimistic that the company will not only survive but it will emerge stronger and in a better market position.

(a) Martina initially set up the business on her own.

- (i) Name this type of business organisation. (1)
- (ii) Explain **ONE** characteristic of this type of business organisation. (1)
- (iii) State **ONE** advantage and **ONE** disadvantage of this business type. (2)

Question continues on next page.

- (b) Martina eventually convinced Andrea to join her as an equal business partner of the firm.
 - (i) Name this type of business organisation. (1)
 - (ii) Explain **ONE** characteristic of this type of business organisation. (1)
 - (iii) State **ONE** advantage and **ONE** disadvantage of this business type. (2)
 - (iv) What is the meaning of Andrea being an equal business partner with Martina? (2)
- (c) Martina and Andrea dissolved their business set-up and founded their own catering company as a limited liability company.
 - (i) List and explain **TWO** sources of finance available to limited liability companies that are not available to the other business organisations referred to in (a) and (b) above. (4)
 - (ii) Distinguish between limited liability and unlimited liability. (2)
 - (iii) State **TWO** advantages of limited liability companies. (2)
- (d) Which type of organisation structure does the limited liability company that Martina and Andrea set up in 2018 have? Briefly explain your answer. (3)
- (e) Is the manager of the Human Resources department a line manager or a staff manager? Briefly explain your answer. (3)
- (f) Sketch the organisation chart for Martina’s and Andrea’s limited liability company as set up in 2018. (3)
- (g) In view of the Covid-19 pandemic, explain the importance of the business’s response to market changes. (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/phrase from the following table to complete the sentences below. Each word/phrase is to be used only once. Write the answers on the booklet provided. (8)

allocation	factors	production	scarcity
choice	opportunity cost	resources	wants

_____ (i) _____ refers to the basic economic problem caused by unlimited _____ (ii) _____ but limited _____ (iii) _____. Given this situation, society faces the problem of _____ (iv) _____. Because of these basic economic problems, when a consumer decides to buy product A, he or she may be giving up buying product B. Product B is the _____ (v) _____. Another consequence of the basic economic problems is that society has to decide on the _____ (vi) _____ of its _____ (vii) _____ of _____ (viii) _____.

- (b) (i) Mention **TWO** aims of public sector enterprises. (2)
- (ii) Give **ONE** example of an enterprise found within the public sector. (1)
- (c) Quarrying, construction and selling of property fall under the different classifications of business activity. Using these examples, explain primary, secondary and tertiary production. (6)
- (d) (i) Describe **ONE** criterion which is used to measure the size of a business. (1)
- (ii) Discuss **ONE** problem that businesses may experience should they engage in rapid growth. (2)

(Total: 20 marks)

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

central	deposits	government's	loans
commercial	exchange	individual	overdraft

_____ (i) _____ banks are there to provide products and services to the _____ (ii) _____ consumer. Customer _____ (iii) _____ provide banks with the capital to provide _____ (iv) _____ facilities for the working capital needs and _____ (v) _____ for long-term borrowing. Banks also offer _____ (vi) _____ of foreign currency. In contrast, the _____ (vii) _____ bank is there to serve the country's banking system as well as to act as the _____ (viii) _____ bank.

- (b) Mention EU directives concerning production: **ONE** in terms of Health and Safety and **ONE** in terms of product quality. (2)
- (c) Distinguish between job, batch and mass production systems, giving **ONE** suitable example for each. (6)
- (d) The choice of supplier can be a very critical decision for a manufacturing firm. Give **TWO** reasons to justify this statement. (4)

(Total: 20 marks)

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

action	five	plan	report findings
collect	opportunity	product	research

Market _____ (i) _____ is an effective tool to assist business planning. It is the process of determining the viability of a new _____ (ii) _____ or service. There are _____ (iii) _____ stages of marketing research. The most important part of the marketing research process is defining the problem or _____ (iv) _____. Subsequently you develop the marketing research _____ (v) _____, _____ (vi) _____ relevant data and information, analyse the data and _____ (vii) _____. At this stage you put your research into _____ (viii) _____.

- (b) What is a brand name? Give **THREE** examples of brand names of your choice. (4)
- (c) (i) Give **TWO** examples of adverts that may be considered unethical. (2)
- (ii) Explain why **each** example you have given in (i) above may be considered unethical. (2)
- (d) Although packaging has its external costs, it also has its advantages. Discuss **TWO** arguments in favour of using packaging in the case of food products. (4)

(Total: 20 marks)

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

application letter	educational	interview	position
curriculum vitae	experience	JobsPlus	vacancies

After finishing school Tom started looking for a job. He looked in newspapers for job _____ (i) _____ and also on the _____ (ii) _____ website. Coming across a vacancy in which he was interested Tom prepared a/an _____ (iii) _____ as a covering letter for the _____ (iv) _____ which included detailed information about his _____ (v) _____ achievement and his summer work _____ (vi) _____. Tom was invited for an _____ (vii) _____ and was subsequently chosen for the vacant _____ (viii) _____.

- (b) List **THREE** things one should do and **ONE** thing one should avoid doing when sitting for an interview. (4)
- (c) Discuss the difference between dismissal from work due to redundancy and dismissal from work due to misconduct. (4)
- (d) One of the disadvantages of training employees is its cost for the firm. However, there are many benefits to be gained both by the firm as well as by the employee. State **TWO** advantages for the business in providing training and **TWO** advantages for the employee in receiving training. (4)

(Total: 20 marks)

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

community	management	regulator	stakeholders
government	planning	safeguard	sustainable

The Planning Authority acts on behalf of the community to provide a balanced and _____ (i) _____ development. Its mission is to provide a better quality of life for the _____ (ii) _____ through transparent and fair _____ (iii) _____ services, today and tomorrow.

The mission of the Environment and Resource Authority is to _____ (iv) _____ the environment for a sustainable quality of life. It takes the leading role in advising _____ (v) _____ on environmental policy-making at the national level. As the national _____ (vi) _____ on the environment, the authority maintains consultation with _____ (vii) _____ so as to promote and instil environmental _____ (viii) _____.

- (b) Describe the role of the Malta Stock Exchange from the point of view of:
 (i) investors; (2)
 (ii) businesses. (2)
- (c) What type of communication network is the grapevine? Explain your answer. (4)
- (d) State **ONE** advantage and **ONE** disadvantage of the use of emails as a means of communication. (4)

(Total: 20 marks)