

OL/2021(2022)/63/E-I, II

සියලු ම 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
 63 E I, II

අධ්‍යයන පොදු සහතික පත්‍ර (සාමාන්‍ය පෙළ) විභාගය, 2021(2022)
 கல்விப் பொதுத் தராதரப் பத்திர (சாதாரண தர)ப் பரீட்சை, 2021(2022)
 General Certificate of Education (Ord. Level) Examination, 2021(2022)

ව්‍යවසායකත්ව අධ්‍යයනය I, II
 முயற்சியாண்மைக் கற்கை I, II
 Entrepreneurship Studies I, 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 and decide on the questions that you give priority in answering.

Entrepreneurship Studies I

Instructions:

- * Answer all questions.
- * In each of the questions 1 to 40, pick one of the alternatives (1), (2), (3), (4) which is correct or most appropriate.
- * Mark a cross (X) on the number corresponding to your choice in the given answer sheet.
- * Further instructions are given on the back of the answer sheet. Follow them carefully.

1. The greatest importance of Entrepreneurship is
 - (1) using resources in optimum level.
 - (2) creating new products.
 - (3) earning high benefits.
 - (4) bearing high risks.
2. 'Every entrepreneur has a dream expected to achieve through his business.' The entrepreneurial characteristic shown from this statement is
 - (1) creativity.
 - (2) flexibility.
 - (3) vision.
 - (4) leadership.
3. The main objective of an entrepreneur should be
 - (1) building a stability of his/her life.
 - (2) engaging in a social work in every time.
 - (3) increasing the profit by utilizing resources.
 - (4) doing good things for the benefit of him/her and the society.
4. 'Entrepreneurs generate job opportunities.' This is considered as a benefit of entrepreneurship in
 - (1) economical level.
 - (2) national level.
 - (3) rural level.
 - (4) social level.
5. 'Sugath, an owner of a business always says to his managers and employees to think differently and to present their goods to the market in new ways.'
 Accordingly to the above statement, what are the entrepreneurial characteristics of Sugath?
 - (1) Creativity, innovation and risk taking
 - (2) Self confidence, flexibility and creativity
 - (3) Future vision, risk taking and innovation
 - (4) Determination, dedication and creativity
6. An example for the capital, which is one of production factors that are needed to produce goods and services is
 - (1) rain water used for cultivation.
 - (2) the building used for the factory.
 - (3) man-power used for manufacturing goods.
 - (4) creativity used for manufacturing goods.

7. An entrepreneur identifies the weaknesses of his/her business through analysing
 (1) the external environment. (2) the economical environment.
 (3) the internal environment. (4) the social environment.
8. Sunil needs to introduce his products to a foreign buyer. The most suitable method that he can use for this is
 (1) telephone method. (2) e-mail method.
 (3) discussion method. (4) online method.
9. The following are some information about Kamal, Amal and Nimal who are the entrepreneurs.
Kamal – A principal of a government school who obtained the productivity award for his school.
Amal – An earner of high income running a supermarket successfully.
Nimal – implements a successful programme for preventing drugs in his area.
 Select the answer that indicates business entrepreneur, social entrepreneur and internal entrepreneur respectively.
 (1) Amal, Kamal, Nimal (2) Nimal, Amal, Kamal
 (3) Amal, Nimal, Kamal (4) Kamal, Nimal, Amal
10. A way that an entrepreneur can contribute to the social welfare is
 (1) utilizing unused resources in the environment.
 (2) helping the people at natural disasters.
 (3) contributing to increase the whole production of the country.
 (4) paying the relevant taxes to the government properly.
11. The smart mobile telephone which is very popular in the present society has introduced to the market as
 (1) a new invention. (2) an extension.
 (3) a duplicating. (4) a combination.
12. The ability of an entrepreneur to identify the threats and opportunities can be considered as
 (1) a conceptual skill. (2) a human skill.
 (3) a technical skill. (4) a leadership skill.
13. The business which belongs to primary sector among the businesses in Sri Lanka is
 (1) constructing buildings. (2) running a retail business.
 (3) rearing fresh-water fish. (4) running insurance firms.
14. A strength of an organic fertilizer manufacturing business is
 (1) restricting the import of chemical fertilizers.
 (2) having employees with knowledge and training.
 (3) increasing the use of organic fertilizer among farmers.
 (4) encouraging to use organic fertilizer by government.
15. Changes of foreign exchange rate affect the businesses. This belongs to
 (1) social and cultural environment. (2) economic environment.
 (3) demographic environment. (4) technological environment.
16. A decision of a business which can be considered as a social responsibility is
 (1) increasing salaries of employees.
 (2) investing money in effective investment sources.
 (3) giving opportunities to special need people too in providing jobs.
 (4) introducing a new loan scheme to the employees.

[see page three]

17. The entry strategy which can be used to introduce the large size milk powder packets (jumbo pack) to the market is presenting it as
 (1) a distinctive new product. (2) a product using differentiation.
 (3) an innovation. (4) a product to fill the market gap.
18. Shan does not take any action to reduce the quality of the products in his business and always tries to improve the quality of them any further. Through this, Shan fulfils
 (1) an economic responsibility. (2) a legal responsibility.
 (3) an ethical responsibility. (4) a philanthropic responsibility.
19. 'When an entrepreneur runs a business, he/she should work according to business ethics.' This means that an entrepreneur always should
 (1) be honest. (2) follow rules and regulations.
 (3) do socially good things. (4) direct the resources efficiently.
20. Select the answer which has only micro environment factors in a business.
 (1) owners and managers. (2) managers and customers.
 (3) suppliers and employees. (4) customers and competitors.
21. Less of competitors to a business organization can be considered as a
 (1) threat to that business. (2) opportunity to that business.
 (3) strength to that business. (4) weakness to that business.
22. What can be considered as a human skill of an entrepreneur?
 (1) Facing to the competitions successfully
 (2) Assigning duties to the employees properly
 (3) Distributing report and information to the relevant parties
 (4) Identifying employees' problems and solving them
23. A main characteristic which can be seen in the present business environment is that
 (1) needs and wants are simple. (2) customers are powerful.
 (3) market is limited to a small area. (4) profit is the main aim.
24. A business should earn profits without harming the environment and any other party. For this, business activities should be done according to
 (1) a code of law. (2) a code of ethics.
 (3) instructions of the owner. (4) rules and regulations of the government.
25. What is the **incorrect** statement about the certificate of patent rights?
 (1) This secures the ownership of the new invention.
 (2) Validity period of this is limited to 20 years.
 (3) The owner cannot sell this to another.
 (4) This is not essential to introduce the new invention to the market.
26. A common characteristic of a sole proprietorship business and an incorporate company is that
 (1) responsibility is limited.
 (2) there is a legal personality.
 (3) even one person can start.
 (4) the management should be done by a board of directors compulsorily.
27. To generate a good business idea that can become a business opportunity, a person should essentially have
 (1) endurance and flexibility. (2) desire and creativity.
 (3) self-confidence and ability. (4) independence and creativity.

28. What is known as 'royalty' in a franchise?
- (1) The permission granted by a franchisor to sell products and services under his trade name to the franchisee
 - (2) The charge made on the permission granted by the franchisor to sell products and services in his trade name to the franchisee
 - (3) The trade name given by the franchisor to sell products and services under his permission to a franchisee
 - (4) The profit earned by franchisee by selling products and services with the permission of franchiser under his trade name
29. A fixed asset, that should be included in an administrative plan of a proposed manufacturing business is
- (1) factory plants.
 - (2) factory buildings.
 - (3) office equipment.
 - (4) distribution vehicles.
30. Selecting a good business idea can be done through a process of three steps. Select the answer indicated these three steps respectively.
- (1) Micro analysis, SWOT analysis, Macro analysis
 - (2) Macro analysis, SWOT analysis, Micro analysis
 - (3) Macro analysis, Micro analysis, SWOT analysis
 - (4) SWOT analysis, Micro analysis, Macro analysis
31. Using human resource mostly, the largest foreign exchange was earned to Sri Lanka by
- (1) apparel industry.
 - (2) tea industry.
 - (3) tourism industry.
 - (4) rubber manufacturing industry.
32. Rahal who runs a sole proprietorship business has to do the business activities like obtaining loans and purchasing vehicles for his business by his name, not by the business name. The reason for this is that
- (1) one person owns the business.
 - (2) the business has not been registered.
 - (3) the business has not a legal personality.
 - (4) the business has not a continued existence.
33. The working capital included in a total investment estimation prepared for a proposed business indicates
- (1) total investments of the owners.
 - (2) pre-startup expenses.
 - (3) the amount of money used for purchasing fixed assets.
 - (4) the amount of money used for daily business activities.
34. Providing sales promotion instructions for business activities is known as
- (1) a marketing facility.
 - (2) a consulting facility.
 - (3) a technological facility.
 - (4) an infrastructure facility.
35. When preparing a business plan of a proposed business, the statement of expected result calculation is included to
- (1) production plan.
 - (2) marketing plan.
 - (3) administrative plan.
 - (4) financial plan.
36. As a developing country, creating an entrepreneurial culture in Sri Lanka is needed as
- (1) job creators should be generated.
 - (2) the income distribution should be increased.
 - (3) more production should be gained in every time.
 - (4) increasing cost of living should be controlled.

37. An idea about the whole business can be gained through the
- (1) administrative plan.
 - (2) financial plan.
 - (3) executive summary.
 - (4) statement of expected result calculation.
38. With the purpose of starting a business, Sahan expects to buy a small building of Rs. 200 000, spend Rs. 25 000 and Rs. 15 000 to get electricity and water respectively and to purchase furniture of Rs. 60 000. According to this information, the amount of pre-startup expenses of Sahan's business is
- (1) Rs. 25 000.
 - (2) Rs. 40 000.
 - (3) Rs. 240 000.
 - (4) Rs. 300 000.
39. A business opportunity that needs qualities like softness and kindness of women mostly is maintaining
- (1) a flower plant nursery.
 - (2) a child care centre.
 - (3) a beauty salon.
 - (4) a baby clothes shop.
40. Nisham decides to start a goods distributing business by investing Rs. 150 000 in cash and his own motor bicycle valued Rs. 500 000. For this he expects to get a bank loan of Rs. 200 000, and buy furnitures of Rs. 50 000 by using this money. According to the above information, what is the correct estimation in Nisham's proposed business?
- (1) Total fixed assets is Rs. 50 000
 - (2) Total investment of the owner is Rs. 150 000
 - (3) Total cash inflows is Rs. 800 000
 - (4) Total investment is Rs. 850 000

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இலங்கைப் பரீட்சைத் திணைக்களம்
Department of Examinations, Sri Lanka

63 E I, II

අධ්‍යයන පොදු සහතික පත්‍ර (සාමාන්‍ය පෙළ) විභාගය, 2021(2022)
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ව්‍යවසායකත්ව අධ්‍යයනය I, II
முயற்சியாண்மைக் கற்றை I, II
Entrepreneurship Studies I, II

Entrepreneurship Studies II

* Answer five questions including question No. 1.

1. Read the following case carefully and answer the questions (i) to (x).

After school education, Kusal is engaging in business activities of his father's fruit stall. Kusal who had known that a liquid fertilizer could be prepared by using fruits. He prepared an organic liquid fertilizer by using the fruits thrown away from his father's fruit stall and got successful result by using them to the flower beds in his home garden. After the crisis of fertilizer arised through restricting the import of chemical fertilizer, Kusal decided to start a business to produce an organic liquid fertilizer and sell to those who grow flower plants as a vocation. Kusal expects to do the followings for his business.

- To prepare a business plan and to obtain a bank loan of Rs.100 000 at 12% interest per annum
- To invest his own money of Rs.150 000 and to buy a grinding machine of Rs.50 000 and equipment of Rs.25 000 by using this money
- To buy expired fruits from his father's and other fruit stalls in the area at a low price
- To get the service of his sister for producing fertilizer and his brother for distributing them
- To advertise his products through brochures and social media

- (i) State **two** entrepreneurial characteristics that Kusal shows by producing a new liquid fertilizer and starting his own business.
- (ii) Write **two** reasons lead Kusal emerge to this business idea.
- (iii) Write with examples **two** characteristics of a small scale business that can be seen in Kusal's business.
- (iv) State **two** functions that Kusal should do when fulfilling the business owner's role.
- (v) Write **two** factors mentioned in the case that should be included in the marketing plan of Kusal's business.
- The following are estimated income and expenses in Kusal's business for a month.

Expenses :	Rs.
raw materials	80 000
salary of helper for producing	25 000
salary of helper for distributing	15 000
motor vehicle fees	16 000
packing cans	10 000
bank loan interest	1 000
advertising and other expenses	3 000

Income :	
sales	200 000

- (vi) Write **two** estimated fixed assets with values in Kusal's business.
- (vii) State **two** estimated cash inflows and **two** cash outflows in Kusal's business.
- (viii) Write **two** items used to calculate the expected total production cost in Kusal's business from the above information.
- (ix) Calculate the proposed total investment in Kusal's business.
- (x) Calculate expected total expenses and net profit in Kusal's business for a month.

(02 × 10 = 20 marks)

2. (i) Mention **two** factors that obstruct creativity which is based on innovation.
- (ii) 'Every businessman is not an entrepreneur'. Explain in brief the difference between the businessman and the entrepreneur to prove this statement.
- (iii) Explain in brief the relationship between needs and wants by using an example.
- (iv) State **two** reasons for that an entrepreneur needs government incentives.
- (v) Explain in brief why Entrepreneurship should be developed in Sri Lanka.
- (02 × 05 = 10 marks)
3. (i) State **four** main differences that can be seen in the present business environment when comparing to the past business environment.
- (ii) Resources in Sri Lanka can be classified into main two parts. Name these **two** parts and give an example for each.
- (iii) Write **two** advantages that a business can gain by concerning to the trends of the environment.
- (iv) Who are considered as the 'target consumers'?
- (v) State **four** characteristics of a good business idea.
- (02 × 05 = 10 marks)
4. (i) Write **two** common characteristics that can be seen in any business organization.
- (ii) Name **two** business organizations of government sector.
- (iii) Write **two** advantages which can be gained from a partnership other than a sole-proprietorship.
- (iv) Write the basic characteristics of a franchise.
- (v) What are the documents that should be presented to the registrar of company to register a private limited company?
- (02 × 05 = 10 marks)
5. (i) State **two** benefits given by small scale businesses for the economic development of a country.
- (ii) Mention **two** threats affected to small scale business due to COVID - 19 pandemic.
- (iii) Explain in brief the relationship between small scale businesses and entrepreneurship.
- (iv) Write **two** functions that an entrepreneur should do to fulfil the role of manager.
- (v) State **four** business activities that indicate the communication skills of an entrepreneur.
- (02 × 05 = 10 marks)
6. (i) State **two** favourable social and economical factors for creating an entrepreneurial culture in Sri Lanka.
- (ii) Name **two** strengths that women possess to be a woman entrepreneur in Sri Lanka.
- (iii) Write **two** financial incentives given to entrepreneurs by commercial banks.
- (iv) What are the elements of a business plan.
- (v) State **two** problems that an entrepreneur has to face by not preparing a business plan.
- (02 × 05 = 10 marks)

7. (i) Sahan expects to start a business to produce bags for school children in primary classes. For this, he has decided to use the small building of Rs.200 000 owned to him, get a bank loan of Rs.100 000, buy two sewing machines of each Rs.50 000 by using this money and invest his own money for the other estimated expenses.

Estimated expenses:**Rs.**

To prepare the business plan	2 000
To purchase furniture.....	45 000
To register the business	3 000
For daily business activities	150 000

Required:

Preparing the Estimation of Total Investment in Sahan's business indicating **Total fixed assets, pre-startup expenses, Total working capital requirement** and **Total investment** by using the following format.

Description	Proposed investment		Total investment Rs.
	Owner Rs.	Bank loan Rs.	

(10 marks)

* * *