General Certificate of Education (Ord.Level) Examination, 2018 December
Entrepreneurial studies
Answers for the Rehearsal Paper

Paper I

Question Number	Answer	Question Number	Answer	Question Number	Answer	Question Number	Answer
1.	1	11.	2	21.	4	31.	4
2.	3	12.	2	22.	2	32.	4
3.	2	13.	3	23.	4	33.	1
4.	2	14.	2	24.	1	34.	3
5.	2	15.	3	25.	2	35.	1
6.	3	16.	3	26.	2	36.	3
7.	2	17.	1	27.	3	37.	3
8.	2	18.	3	28.	3	38.	2
9	1	19.	1	29.	2	39.	1
10.	1	20.	2	30.	1	40.	3

One mark for each Question (total marks 40)

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Paper II

01) (i) Let's drink fresh water.

(ii) Yes. Should plan. Having a plan is needed to continue any business successfully.

(iii)
1. Executive summary
2. Production plan
3. Marketing plan
4. Financial plan
5. Administrative plan

(iv)
1. Institute of science & Industrial Technology.
2. Sri Lanka Institute of Standards

(v) Institute of science & Industrial Technology.

(vi) Value of total non-current assets.

Cost of lands	1,000 000
Cost of buildings	500,000
Cost of equipment	300,000
	1,800,000

(vii) Calculation of initial capital.

Purchasing of non-current assets	1,800,000
Registration fee	25,000
For business plan	50,000
Other expenses	75,000
	1,950,000

(viii) Working capital

(ix) Four cash out flows

For lands	1,000,000
For buildings	500,000
Registration fee	25,000
Other expenses	75,000

(x) Two cash in flows

By selling bottles of water	500,000
Deposit for empty bottles	50,000

(2 x 10 = 20 marks)

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02. (i) Opportunity to be successful or unsuccessful of business

(ii) 1. Engaging in an economical activity
2. Facing to a risk
3. Engaging transactions
4. Using resources
5. Decision making regarding production, purchasing and selling
6. Facing to a competition
7. Thinking to a consistency
8. Having a self- persuading (any two answers from these)

(iii) 1. Own fate is on himself
2. Having variations in tasks
3. Can contribute for social welfare
4. Can be used the abilities which are not used
5. Earning an attractive profit
6. Self-sufficiency
7. Maximum space for the persons to develop
8. Freedom and having a highest satisfaction (any two answers from these)

(iv)1. A new innovation
2. An extension
3. An imitation
4. A combination (any two answers from these)

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(v) 1. Fixing on negative believes and attitudes
2. Thinking that any question has only one answer.
3. Expecting instant results
4. Not working by situating a logical foundation
5. Thinking that there are barriers to be practical
6. Accepting ethics and traditions without understanding
7. The afraid for faults and criticisms (any two answers from these)

(2 x 5 = 10 marks)

03. (i) 1. Invested a small capital
2. Comparatively less number of employees.
3. Ownership is on one proprietor.
4. In convention to make decisions when continuing the business.
5. Business activities are limited to a small area. (any two answers from these)

(ii) 1. Limitation of ways to collect capital for the business
2. Not being used the new technology.
3. There are limitations for market.
4. Highly involvement of the family members to the business.
5. Limitation of business experience and the knowledge of the proprietor.

(any two answers from these)

(iii) 1. Financial controlling of the business is weak.
2. Difficult to face the competition.
3. Business activities are done without plans.
4. Most businessmen do not think as entrepreneurs.
5. Do not control the resources of the business correctly.
6. The experience on business activities is not enough.
7. Weak human relationships. (any two answers from these)

(iv) 1. Supplying need resources
2. Bearing risks.
3. Making important decisions (to time & task) (any two answers from these)

(v) 1. Establishing, operating, repairing a machine brought to the business.
2. Recruiting a better employee by following a formal procedure
and other facts that could be accepted.

(any two answers from these)
(2 x 5 = 10 marks)

04) (i) 1. Community environment
2. Economical environment
3. Political & legal environment
4. Technological environment
5. Natural environment

(ii) Making business plans, finding whether the activities are done according to the Plan.
(iii) Social & cultural environment
(iv) Primary, secondary & tertiary
(v) Wifi Router (2 x 5 = 10 marks)

05)

(i) 1. Market analysis
2. Selling forecast
3. Marketing income and marketing expenses
4. Marketing fixed assets

(do not expect in order)

(ii) 1. Giving questionnaires to consumer
2. Having interviews with consumers
3. Observing the behaviour of consumers
4. Media (such as newspapers, internet)

(iii) 1. Curd - Yoghurt
2. Tea, coffee - Nescafe
3. Soft drink bottles - Fruit juice

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(iv) 4Ps / product, price, place& promotion

(give marks for any answer)

(v) Using the marketing and distributing activities

1. computers and technological equipment
2. delivery vehicles
3. furniture& equipment (2 x 5 = 10 marks)

06) (i)

1. Having a goal.
2. Using limited resources
3. Engaging in an economical activity
4. A person or a team of persons work jointly.

(ii)

1. Sole traders
2. partnerships
3. incorporated companies

(iii)

1. Having partners
2. Having a united agreement
3. Doing things with the expectation of having profits
4. Engaging in a business activity

(iv) Business organizations which registered under the Company Registration Act No. 07 of 2007 and having a legal personality and a contingency.

(v) 1. Franchiser 2. Franchisee

(2 x 5 = 10 marks)

07) (1)

Cash balance as at 01.01.2017		18,000
<u>Receiving during the month</u>		
Sales income		356,000
-		374,000
<u>Payments during the month</u>		
Purchasing	120,000	
Administrative expenses	12,500	
Selling expenses	180,000	
Financial expenses	8,000	
Other expenses	2,000	(322,500)
		51,500

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(4 marks)

(2) Purnima's Business
Results Calculating Documents
For the year ending as at 31st January 2017

Selling Income		356,000
- Selling Cost		
Stock on 1st January	40,000	
+ purchasing	120,000	
	160,000	
- Stock on 31st January	(23,000)	(137,000)
Gross profit of the month		219,000
Administrative expenses	12,500	
Selling expenses	180,000	
Financial expenses	8,000	
Other expenses	2,000	(202,500)
Net profit of the month		16,500

(6 marks)
(Total 10 marks)

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