EASTERN UNIVERSITY, SRI LANKA FACULTY OF COMMERCE AND MANAGEMENT DEPARTMENT OF COMMERCE SECOND YEAR-SECOND SEMESTER EXAMINATION IN BACHELOR OF

BUSINESS ADMINISTRATION/ BACHELOR OF COMMERCE-2016 / 2017 (JANUARY 2019) (PROPER/REPEAT) DED 2013 SMALL BUSINESS MANAGEMENT

THREE (03) HOURS

To be completed by the candidate Index Number :

Instructions to Candidates	For Examiner'	s Use only
	Question No	Marks
. This paper has 05 questions in 07 pages.	01	
Answer all questions	02	
. Write your answers clearly in the spaces provided on the examination paper.	03	
 This paper should be handed over personally to the supervisor. 	04	
	05	
	Total 🖞	

EASTERN UNIVERSITY, SRI LANKA FACULTY OF COMMERCE AND MANAGEMENT DEPARTMENT OF COMMERCE

Second Year-Second Semester Examination in Bachelor of Business Administration/

Bachelor of Commerce-2016 / 2017 (January 2019) (Proper/Repeat)

DED 2013 SMALL BUSINESS MANAGEMENT

Answer all questions

Time: 03H

01. Complete each sentence by choosing the right word or words from this list

Order	Daily Cash Record	Stock taking lists	Cash Flow Plan
Receipt	Customers' Accounts Record	Stock	Man-hours
Quotations	Stock control	Analyse	Planning
Invoice	Stock cards	Cash Flow	Direct material costs
Total costs	Direct labour cost	Indirect costs	Indirect labour costs

- 1) A is a document to prove that you have paid.
- An tells you to pay. Always compare it with your delivery met make sure you received everything you are paying for.

 $(05 \ge 0.02 = 10 \text{ Mz})$

02. Underline the correct answer for each question

- (1) The first things to do in marketing is to
 - (a) put all your skills into making your products the way you like them
 - (b) find out as much as possible about your customers and what they need and Want
 - (c) try to make the same products or services other business make.

(2) In general, your prices must be.

- (a) low enough to attract customers to buy and high enough to give your business Profit
- (b) lower than competitors' prices and lower than the year before.
- (c) low enough to get new customers and high enough to buy new good
- (3) A good product or service
 - (a) will sell easily and does not need any promotion
 - (b) needs to be promoted like all other products or services
 - (c) needs to be promoted only its sales go down.
- (4) Check the goods against the delivery note or the invoices
 - (a) when you count at the end of the week or at end of the month
 - (b) immediately when you get the goods
 - (c) when you make your order

(5) Stock control is important

(a) only for retailers

(b) only for manufacturers

(c) for all business

(6) It is bad for your business to hold too much stock. One of the main reason is that

(a) your suppliers will complain

(b) customers will go to their business

(c) your business money is tied up

(7) if you suspect that you are losing stock, your stock records will tell you

(a) who is staling

(b) how much stock is missing

(c) how to solve the problem

(8) To make plan you need

(a) lots of cash

(b) credit sales

(c) information from your records

(9) The first step in making a forecast of the indirect costs for your business is to (a) calculate the profit you expect to make

(b) get information about your business in the past

(c) make a cash flow plan for your business

(10) when you make a forecast of sales for your business, you think about

(a) reducing your indirect costs

(b) the four Ps: product, price, place and promotion

(c) increasing wages for your employees

(11) Costing is the way you

(a) Work out what price you must set to make a profit

(b) find out the costs of your competitors

(c) Calculate the total costs of making or selling a product or providing a service.

(12) In your costing, you include depreciation as a part of your

(a) indirect costs

(b) direct cost

(c) direct material cost

(13) A voucher is

(a) a simple way of calculating profit

(b) a way of always writing the amount in two different columns in your record Book

(c) a receipt or nay other proof of transaction with the same number as an entry in the record book

(14) The best way to find out how well your business is doing is to

(a) check your cash book

(b) make a profit and loss statement

(c) analyse your costs

- (15) Your records show that your sales and lower than last month. The first thing you Musta(a) find the reason for failing sales
 - (b) sell equipment you do not really need
 - (c) find ways to cut down your transport costs

(15 x 03 = Total 45 Mr

	. "Every Entrepreneur thinks that a business plan will benefit creat	tion and	expansion«
	or her small business venture."		

a. Do you agree with the above statement? Give reasons?

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b. What are the basic elements of a good business plan?

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c. Why is the executive summary the most important section of the business plan?

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(Total	15	Marks)

04. "Every new business faces the challenge of finding the funding to sustain itself until establishes a revenue and cash stream."

a.	Briefly describe the major source of financing available for small businessman in Sri Lanka?

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b. Outline and briefly describe the major types of loans offered by **state and private bank** starting a new business or to expand an existing business in Sri Lanka.

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c. What are the difficulties faced by a small businessman and bankers in obtaining loans from the and private banks in Sri Lanka? And what remedial actions would you suggest?

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05.	"Operating a successful business is a mix o	of earning high returns and mitigating economic
	risks."	

a. What are risks faced by a small businessman when operating a small business firm? Explain.

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. What are basic ways to cope with risk in a small business venture in Sri Lanka?	

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c. "Shoplifting" is one of the risks faced by a small businessman to operate a small business
in Sri Lanka and elsewhere in the world. What are the various anti shop lifting tactions
by the small business firms to minimize shoplifting?
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