

EXAMINER'S REPORT**LEVEL I EXAMINATION - JANUARY 2025****(104) BUSINESS ENVIRONMENT**

As the entire question paper has been covered almost all the areas of Business Environment subject specified to the level I, the aim was to check the candidates' overall knowledge and understanding of the subject area. As a whole, most of the candidates' performance were satisfactory while others had been failed to answer well. Observing how the candidates have been answered the question paper, it had been realized that important points to prevent issues when understanding the questions and answering to obtain sufficient marks.

SECTION A**Question No. 01**

Overall areas of the subject of Business Environment have been covered and almost all the candidates have been attempted the question and answered successfully. Most of candidates had not successfully answered the question **1.2, 1.5, 1.8, 1.13** and **1.16**. The observations regarding the questions are as follows:

- 1.2** Majority of candidates were not properly aware of the "Minimum number of directors of a Private Limited Company" and the majority had chosen the incorrect answers. But average number of candidates had obtained full marks by providing answer (1) as the correct answer.
- 1.5** Most of the candidates had not identified the question correctly as not to a "participant of a Real Time Gross Settlement System". Most of the candidates marked answer (4) instead of correct answer (1).
- 1.8** Most of the candidates had not identified what an individual can insure by obtaining an insurance cover. Average number of candidates had selected "risk of non-receipt of credit from a debtor" and correctly answered to this question.
- 1.13** Most of candidates had not identified that the money market can be divided as primary market and secondary market. Therefore, candidates should improve their knowledge on fundamental concepts and aspects of money market. Average number of candidates had obtained full marks.
- 1.16** Average number of candidates had identified two new trends in entrepreneurship and scored marks.

However, except the above questions, most of the candidates have answered this section well.

As a whole, performance for this question was at a satisfactory level.

SECTION B

This section consisted with four compulsory questions. Each question had been given 10 marks.

Question No. 02

It was expected to test the knowledge of “Sole Proprietorship” and “Private Limited Company”.

- (a) Majority of the candidates had obtained full marks to this part by explaining disadvantages of sole proprietorship successfully. It was noticed that few candidates had written advantages of a Sole Proprietorship instead of disadvantages.
- (b) It was tested the documents required for incorporation of a Private Limited Company. Average number of candidates successfully answered this question. Some candidates had not identified documents and they had written shareholder list, letter of credit, bank standing orders and certification of local authorities.
- (c) Most of the candidates had explained features of a Private Limited Company successfully.

As a whole, performance for this question was at a satisfactory level.

Question No. 03

It was expected to test the candidates’ knowledge about the business support services.

- (a) Majority of candidates had properly explained the term “being a medium of exchange” and earned full marks.
- (b) Majority of candidates had written types of accounts that a business can maintain in commercial banks as Current Account, Savings Account, Fixed Deposits and Time Deposits. Also, some candidates had answered by using their general knowledge and got full marks.
- (c) This part was required to state the advantages of using cheques than cash when making business transactions. Majority of candidates had explained the answer properly with their general knowledge and earned full marks.

As a whole, performance for this question was at a satisfactory level.

Question No. 04

- (a) Majority of candidates had written correct answers by listing benefits of Code of Ethics for a business organization.
- (b) This part was tested the strategies to be introduced by a company for achievement of the social responsibility. Most of the candidates had not answered properly to this question. But those who mentioned reporting, transparency, accountability, verifiability and determine CSR goals and explained earned were obtained full marks.

- (c) It was tested to state the benefits by using sustainable practices. Average number of candidates had obtained full marks. Some had written only environmental related benefits of sustainable practices.

As a whole, performance for this question was at an average level.

Question No. 05

- (a) Majority of the candidates had explained Bill of Lading, Letter of Credit, Commercial Invoice, Performa Invoice, Certificate of Origin, Insurance Certificate, and Sanitary Certificates as main documents used in foreign trade properly and obtained full marks.
- (b) It was required to explain the new trends to be adopted in Sri Lanka's traditional trade activities in line with modern world. Most of the candidates had answered properly to this question and earned above the average marks. Some had answered to the question but not explained properly.
- (c) Most of the candidates had stated advantages gained by customers using e-commerce and earned full marks.

As a whole, performance for this question was at a satisfactory level.

SECTION C

Question No. 06

This was a case-study based question regarding **Ariel Textiles**. Almost all the candidates have attempted this question and most of them had obtained marks above the average.

- (a) Majority of candidates had written advantages of a Public Limited Company and obtained full marks. A very few candidates had not obtained marks due to lack of knowledge and improper understanding of the question. It was noticed that some candidates have written advantages of a partnership and proprietorship instead of public limited company.
- (b) Majority of candidates had assessed business environment of **Ariel Textiles** using SWOT analysis and scored full marks.
- (c) The part of the question tested the critical factors to be considered when selecting a transportation mode for a business. Most of the candidates had answered to this question well and earned full marks. Few of them were unable to earn full marks due to misunderstanding the question and some candidates had answered means of transport such as lorry, train and ship.

- (d) This part tested the ways how good transportation system help **Arial Textiles**. Majority of the candidates had properly explained this part and other candidates had not explained properly.
- (e) This question tested the entrepreneurship skills required by **Arial Textiles** as an entrepreneur. Average number of candidates had stated answers relevant to the given scenario and obtained full marks. Others earned marks with their general knowledge. A very few candidates had written characteristics of entrepreneurship. It is necessary to read and understand the scenario well before answering.

As a whole, performance for this question was at a satisfactory level.

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General points to be considered in developing the level of understanding of candidates:

- (1) Candidates should study the relevant study packs before sitting for examinations.
- (2) It is very much important to practice answering past question papers and Action Verb Checklist with definitions attached to respective papers.
- (3) Candidates must read the instructions and questions carefully before answering the questions.
- (4) Do not write answers in the question paper itself and forward with the answer script.
- (5) Never try to give up compulsory questions as this habit may lead to achieve low marks.
- (6) Make use of recently published magazines, handbooks, newspapers and text books to update the knowledge.
- (7) Use a separate sheet to answer new question.

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