

EXAMINER'S REPORT**LEVEL I EXAMINATION - JULY 2024****(104) BUSINESS ENVIRONMENT**

As the entire question paper has been covered almost all the area 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 this question. Most of the candidates had not successfully answered the question **1.1**, **1.5**, **1.8** and **1.18**. The observations regarding the questions are as follows:

- 1.1** Majority of candidates were not properly aware of the "Minimum number of Shareholders of a Public Limited Company" and the majority had chosen the incorrect answer. But small number of candidates had obtained full marks.
- 1.5** Most of the candidates had not identified the question correctly for the not applicable component of a Force of Porter's Five Forces
- 1.8** Most of the candidates had not identified institutions which are supervised by Central Bank of Sri Lanka. A small number of candidates had not marked the correct answer.
- 1.18** Most of candidates had not identified the "Difference between Capital Market and Money Market". Majority had described money market as money exchange market and Capital Market had been described as asset exchanging market. Therefore, candidates should improve their knowledge on fundamental concepts and aspects of markets

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

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

SECTION B

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

Question No. 02

The question was based on the subject of “Sole proprietorship and Limited Liability Company”

- (a) Majority of the candidates had successfully obtained this part and obtained full marks. However, few of them had written that partnerships and joint ventures can be incorporated under the Company’s Act.
- (b) It was tested the difference between Sole Proprietorship and a Limited Liability Company. Most of the candidates had obtained a higher marks out of the allocated marks. But some candidates had not understood characteristics of Control.
- (c) Most of the candidates had identified advantages and disadvantages of a Private Limited Company. Majority of the candidates had obtained full marks.

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

Question No. 03

It was expected to test the candidates’ knowledge about Currency and Business Transactions performed through new technology.

- (a) Majority of the candidates had properly answered this part and earned full marks.
- (b) Majority of candidates had written matters to be considered when writing a cheque properly and earned full marks. Also, some candidates had answered by using their general knowledge and obtained full marks.
- (c) This part was required to explain the reasons why E-money is a popular method to make transactions. Majority of the candidates had explained the answer properly with their general knowledge and earned full marks.

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

Question No. 04

- (a) Average number of candidates had not written answers related to the **Digith Printers** as they did not have a proper understanding on the objectives of the government. But a significant number of candidates had written proper answer theoretically and earned full marks.
- (b) This part was tested on the responsibility of **Digith Printers** to the society. Average number of candidates had not properly answered this question and earned a very low mark.

- (c) This part was tested the reasons why SME's are important for the Sri Lankan economy. A good number of candidates were able to obtain full marks. But most of them had answered this question with their general knowledge.

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

Question No. 05

It was expected to test the knowledge of the candidates regarding the importance in adopting to the changing global environment.

- (a) Majority of the candidates had properly written the difference between wholesale trade and retail trade and obtained full marks.
- (b) This part was based on the impact of the global environment. Average number of candidates had not properly answered to this question and earned a very low marks. Others had answered to the question but not explained properly and they have got half of the allocated marks.
- (c) Majority of candidates had answered to this question successfully 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 **Eco Clean** company. Almost all the candidates have attempted this question and most of them had obtained between a marks above average level.

- (a) Majority of candidates had answered business environment of **Eco Clean** and a considerable number of candidates could obtained full marks. A small number of candidates had not obtained full marks due to following reasons:
- Due to improper understanding of the question unnecessary details related to SWOT, including diagrams had been given by a small number of candidates.
 - A very few candidates had only written wordings of Strength / weaknesses / opportunities and Threats.
 - Another few number of candidates had described PESTEL instead of SWOT.
- (b) Majority of the candidates had written the correct answer and earned full marks.

- (c) This question was tested the services provided by a licensed commercial bank to business. Majority of them had answered to this question well and obtained full marks. Few of them were unable to earn full marks due to following reasons:
- They had not identified the question properly and most of them had answered including providing loans and bank overdrafts.
 - Some of them had written that commercial banks also are issuing currency.
- (d) This part tested the reasons why insurance is important for **Eco Clean**. Majority of the candidates had properly answered this question and other candidates had not explained it properly.
- (e) This question tested the ways how **Eco Clean** contributes to a more sustainable future in Sri Lanka. Average number of candidates had written relevant to the given scenario and got full marks. Other earned marks with their general knowledge.

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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