

# **FANLING LUTHERAN SECONDARY SCHOOL**

**2024 - 2025 S6 Mock Examination**

**BUSINESS, ACCOUNTING AND FINANCIAL STUDIES PAPER 1**

## **Marking Scheme**

### **SECTION A (48 marks)**

- |       |       |       |
|-------|-------|-------|
| 1. D  | 11. B | 21. C |
| 2. C  | 12. D | 22. D |
| 3. B  | 13. C | 23. C |
| 4. A  | 14. D | 24. B |
| 5. B  | 15. A |       |
| 6. C  | 16. D |       |
| 7. A  | 17. B |       |
| 8. A  | 18. C |       |
| 9. A  | 19. B |       |
| 10. B | 20. D |       |

## SECTION B (24 marks)

1. (a) Economic factors: Hong Kong's rental level. K Style needs to consider the high rental costs in Hong Kong and whether the shop's income is sufficient to cover these expenses.  
Cultural factors: Hong Kong consumers' cultural background and preferences for Korean style clothing. Since many young people in Hong Kong embrace Korean culture, K Style has a significant advantage in opening a branch in Hong Kong as a Korean style clothing store, making it easier to enter the market.
- (b) K Style is a multinational corporation, because it has operations in more than one country.
- (c) By offering free sample clothes to people in need, K Style is fulfilling its social responsibility, which helps create a positive corporate image. This improved brand image can attract more customers, leading to increased business for K Style and positively impacting the company in the long term.  
(8 marks)
2. (a) An entrepreneur is a person who takes risks in order to make a profit. Rocky has taken on various operational risks, including competition from others and the risk of losses in order to earn a profit from providing dishwashing services to restaurants.
- (b) (i) Division of work  
(ii) Practice makes perfect  
Time-saving in training/switching from task to task
- (c) Encourage innovation: Rocky seized the business opportunity in commercial dishwashing services and created a dishwashing support service with the help of technology.  
Promote market competition: Rocky introduced a more efficient production model for the dishwashing service industry., which competitors are now adopting. This will lead to a reduction in production costs and an increase in quality across the dishwashing service market  
Promote economic growth: Rocky's dishwashing factory employed 30 employees, providing employment opportunities in Hong Kong. He also purchased goods and services from other companies, such as dishwashing machines and tools, thereby contributing to overall economic growth.  
(8 marks)
3. (a) Establish an education fund for their children  
Repay the mortgage loan
- (b) Preference shares.  
Dividends for preference shares are fixed and guaranteed, while dividends for ordinary shares are neither fixed nor guaranteed.
- (c) Credit card  
Credit cards are convenient to use, allowing the family to purchase goods and services during their trip.  
(8 marks)