**Classwork**

**Section A: Multiple Choice Questions (1 mark each, Total: 10 marks)**

1. Construction industry belongs to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ industry whereas retailing industry belongs to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ industry.
2. primary, secondary
3. secondary, tertiary
4. tertiary, tertiary
5. secondary, secondary

*Level of difficulty: \**

1. The enforcement of Statutory Minimum Wage law is an example of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ factor in Hong Kong business environment.
2. political
3. legal
4. economic
5. socio-cultural

 *Level of difficulty: \**

1. Which of the following descriptions about Hong Kong economy is NOT correct?
2. Hong Kong is a free economy.
3. Hong Kong has efficient infrastructure facilities.
4. Hong Kong Government has sufficient financial reserves because of high tax rate.
5. Hong Kong has a geographical proximity with the Mainland.

 *Level of difficulty: \**

1. Capital, natural resources, human resources and entrepreneurs are \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ for a business firm.
2. primary factors
3. factors of risk
4. factors of production
5. core factors

*Level of difficulty: \**

1. Which of the following is NOT a feature of free market economy?
2. Market forces
3. Government guidance on general price level
4. Free competition
5. Minimum government intervention

 *Level of difficulty: \**

1. The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ was established to foster international financial cooperation and its primary functions include providing short-term loans to countries that are unable to meet their financial obligations and working to alleviate poverty in developing economies.
2. World Trade Organisation
3. Asia-Pacific Economic Cooperation
4. Association of Southeast Asian Nations
5. International Monetary Fund

 *Level of difficulty: \*\**

1. Which of the following describes an agreement between companies which combine their capabilities and resources to accomplish global objectives and gain mutual benefits or synergy effect?
2. Joint venture
3. Franchising
4. Strategic alliance
5. Foreign direct investment

*Level of difficulty: \*\**

1. Which of the following are examples of physical factor that affect Hong Kong business?
2. airport facilities
3. limited land for building large manufacturing plants
4. Hong Kong people are concerned with environmental protection
5. (1) and (2) only
6. (1) and (3) only
7. (2) and (3) only
8. (1), (2) and (3)

*Level of difficulty: \*\**

1. Which of the following descriptions about “Closer Economic Partnership Arrangement” (CEPA) are correct?
2. CEPA aims at raising capital for the Mainland for further integration.
3. Under CEPA, Hong Kong and the Mainland will be working closely to introduce further liberalization measures continually.
4. CEPA opens up huge markets for Hong Kong goods and services in many sectors.
5. (1) and (2) only
6. (1) and (3) only
7. (2) and (3) only
8. (1), (2) and (3)

*Level of difficulty: \*\**

1. Which of the following are the arguments that support globalization?
2. reduced production costs by using low-cost labour and resources
3. more global sourcing opportunities
4. higher interdependence among countries that bring higher stability
5. (1) and (2) only
6. (1) and (3) only
7. (2) and (3) only
8. (1), (2) and (3) only

*Level of difficulty: \*\**

**Section B: Short Questions**

1. Illustrate with examples the independence of the three types of industry. (6 marks)

*Level of difficulty: \**

1. Hong Kong is said to have a close linkage with the Mainland. Explain two economic contributions made by Hong Kong towards the economic development of the Mainland. (4 marks)

*Level of difficulty: \*\**

1. Suppose you were the owner of a small bookshop, discuss the possible impact of environmental factors, namely, political-legal, economic, socio-cultural and technological factors on your business. (8 marks)

*Level of difficulty: \*\**

**Classwork – Suggested Answer**

**Section A: Multiple Choice Questions (1 mark each, Total: 10 marks)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 1. B | 2. B | 3. C | 4. C | 5. B |
| 6. D | 7. C | 8. A | 9. C | 10. A |

**Section B: Short Questions**

**Question 1**

* students should list the three types of industry, namely primary, secondary and tertiary
* students can illustrate any kind of product and operation to demonstrate the interdependence of the industries
* example: a cotton T-shirt – e.g. primary industry: planting cotton as raw materials 🡪 secondary industry: weaving, sewing and production of T-shirt 🡪 tertiary industry: T-shirt to be transported from warehouse and sold in a fashion chain retailing store

(1 mark for naming each type of industry, 1 mark for illustration in each type of industry, max. 6 marks)

**Question 2**

* serve as a springboard for foreign firms to develop China market due to Hong Kong’s geographical proximity with the Mainland
* a re-export centre for the Mainland to support economic activities
* provision of supporting services, e.g. raising capital, providing insurance and accounting services
* knowledge and skill transfer, e.g. facilitate companies in the Mainland to learn the management techniques and widen their global perspective

(2 marks for each contribution, max. 4 marks)

**Question 3**

* political/legal factors including government policies and laws related to operating a bookshop and employing staff , e.g. Employment Ordinance, licensing, regulations on copyrights
* economic factors including GDP, interest rate and income level that affect people’s consumption behaviour, e.g. economic growth, spending on readings, purchasing power
* socio-cultural factors including trends, demographics and values that affect people’s consumption pattern, e.g. reading habits, customers’ reading preferences and lifestyle
* technological factors including technology level, extent of automation and new invention that may help improve efficiency and expand business, e.g. IT applications and e-books, apps, print-on demand technology

(2 marks for each factor with explanation, max. 8 marks)