

 Cambridge Assessment International Education		
GRADE: 10th	SUBJECT: Economics	DATE: 22/06/2020
WORKSHEET NUMBER:1	WORKSHEET TOPIC: Business Organization	
INSTRUCTION (IF ANY):	Try and answer the below question, If you face any difficulty please call me.	

Who Owns It? State Railway Authority of Thailand (SRT)

Over the past year there has been a lot of discussion about the possible privatisation of the State Railway of Thailand (SRT) in the news media. You are going to review four news articles which express various opinions about the plan to privatise the SRT.



Before you read, note down your thoughts on the questions below:

- Have you ever travelled on the SRT?
- If so, where did you go? What was the experience like?
- If not, what do you think the service offered by the SRT might be like?

- How does Thailand's national railway service compare to those offered in other countries, such as Japan?

Now review the following four articles taken from the Bangkok Post website and answer the questions which follow.

Thousands Stranded In Thai Train Turmoil

Train worker strikes in Thailand halted services nationwide and stranded hundreds of thousands of passengers for a second day, the state railway said.



Thai Buddhist monks and a novice sit on a bench after train workers went on strike at Hua Lampong train station in Bangkok. Train worker strikes in Thailand halted services nationwide and stranded hundreds of thousands of passengers for a second day, the state railway said.

Around 200,000 train passengers were affected by the industrial action against plans to modernise the century-old enterprise, the State Railway of Thailand (SRT) said.

The country's railway labour union is protesting at what it says are government plans to privatise the railway, and workers are demanding to participate in all stages of the proposals.

But Thailand's transport minister Sapon Zарum denied that the scheme would involve privatisation and he criticised the union for mounting the strike without warning.

"It's inappropriate to stop working without negotiation... I am willing to hold talks with them," he told reporters ahead of a weekly cabinet meeting.

He said the government would provide the 72 billion baht (two billion dollar) cost of financing the plan, adding: "This is to rehabilitate, not to privatise. There is no privatisation."

Source: <http://www.bangkokpost.com>

Published: 23/06/2009 at 01:58 PM

SRT Must Spruce Up

Fifty-eight years in operation and an accumulated loss of 69 billion baht. Ancient metre-wide rails, mostly single nationwide tracks and slow-chugging diesel-powered locomotives that take travellers to Hua Hin in 4-5 hours.

State enterprises should be profitable these days to justify their existence amid the competitive environment in the private sector. Thailand needs better services, more lines and faster trains to encourage commuters to use them instead of cars.

As well in the long term, there are benefits because the country is in a strategic location in geographic terms, joining Malaysia and Singapore with Burma, Indochina and China. Staff at the SRT should be a little more open-minded.

KRIT

Published: 24/06/2009 at 12:00 AM

Newspaper section: News

SRT Has No Choice But To Improve

I have taken many train trips in my life but I cannot say I have been impressed with the quality of service on any single journey.



I took the train to and from my home town to Bangkok through the four years I went to college. While I would agree there is a certain romantic notion to a journey by train (it's slow like a ballad), I can't say it's the most pleasant. Nor is it fast, smooth or convenient.

In fact, when I recall my train experience, the first word that comes to mind is: dirty.

Most train stations are dirty. The carriages themselves are run-down. The head-rest sports a circle of black grease; which made me want to sit up with my back not touching it throughout the hour-long journey. When I got home, my face was sometimes streaked with black soot that had drifted down from the train's exhaust fumes.

Although I am tempted, I cannot make myself compare the Thai train system to the Japanese one. The mere mention of the word Shinkansen would be too painful.

The strike by the State Railway of Thailand's labour union was called off yesterday. While it was on and the service was stopped, however, I wonder if the train staff who participated in the protest were trying to preserve this standard of service, which is unsatisfactory from the passengers' point of view and which has not changed in decades.

People actually would like to take the train as it is perceived to be a safer mode of transport, with a fixed schedule that makes it easy to plan their travel. But how many can honestly say that they are happy with what the Thai train has to offer now? We have heard of bed bugs. We have heard of a lone woman traveller being attacked on a night train. We have heard of the straight-down-to-the-track toilet with poor hygiene.

I have no doubt there must be a number of good reasons why the train service has been like this. There is no doubt, either, that it must have taken a myriad of mishaps for the 123-year-old organisation to run up an accumulated debt of more than 74 billion baht. What comes as a surprise is that the rail union seems to have only one answer to the huge problems: any kind of change or improvement to be made to the organisation and every step of the procedure must receive its approval first.

And what is their vision for the future of train service, if the cash-strapped, fat and sick enterprise is allowed to chug along? That it remain cheap.

I understand the frustration of train staff who must have seen their fair share of mismanagement. How can one otherwise explain such a huge loss for a monopoly organisation with assets worth more than 100 billion baht? Besides, when you knew you would be hurting hundreds of thousands of passengers and businesses because you were going on strike, you had no choice but to say that you were doing this for their own good, that you were protecting the poor and the national interest. Still, for the union to ask their members to take the extreme measure of work stoppage because they want their organisation to remain "cheap" is not an encouraging sign. Truth be told, their all-out campaign against

any form of privatisation does not strike a chord with the public, their financiers and clientele, who will be asking why that option must be ruled out if it could improve the train service?

While I agree that there must be "cheap" bogeys for those who need them, I can't see why more expensive options cannot be offered for those who want and can afford them? What about the future of logistics? More trade and people will need to be moved in the future. The SRT will miss out on them if it insists on sticking with the slow, diesel-powered locomotive, single track and "cheap" service.

All this should not be news to the railway staff, including those who walked away from their work and caused a lot of inconvenience to so many people on Monday. The message is clearly posted on the SRT's website: "The SRT commenced operations to serve the nation more than a century ago. Rail services then provided the only means of fast, reliable transport. Today rail faces enormous competition from road mode and if rail is to survive as a viable mode it must significantly improve service quality and economic efficiency. If rail services and rail infrastructure are maintained in their present status then passenger and freight traffic will continue to be attracted to road mode."

The railway service needs major changes, a lot of them and badly, too. The staff must realise that. If it is determined to protect the organisation's assets from being exploited, it must work with the public, not let them down.

By: Atiya Achakulwisut

Published: 24/06/2009 at 12:00 AM




AS Economics

Who Owns It? State Railway Authority of Thailand (SRT)

QUESTIONS

1. Explain the term 'privatisation'. [2 marks]
2. Explain **two** reasons why the government might want to privatise the SRT? [4 marks]
3. Explain why some workers might be upset about the possible privatisation of the SRT? [3 marks]
4. Complete the following table using the information from the articles. One has been done for you as an example. [8 marks]

Reasons To Privatise The SRT	Reasons <u>NOT</u> To Privatise The SRT
<i>Example:</i> The SRT is 74 billion baht in debt and is almost bankrupt. Privatising the company will make it more efficient and profitable so this debt can be reduced.	

 Cambridge Assessment International Education		
GRADE: 10th	SUBJECT: Economics	DATE: 27/06/2020
WORKSHEET NUMBER: 2	WORKSHEET TOPIC: Business Organization	
INSTRUCTION (IF ANY):	Read The Chapter ,.	

Read Chapter

Solve Exam Practice question Answer

Multiple choice questions

- 1 What is most likely to be supplied by small firms?
 - A Banking
 - B Film production
 - C Shoe repair
 - D Steel

- 2 A toy manufacturer merges with a chemical company. What type of merger is this?
 - A Conglomerate
 - B Horizontal
 - C Vertical merger backwards
 - D Vertical merger forwards

- 3 What is meant by financial economies of scale?
 - A Lower average costs experienced by large banks and other financial institutions
 - B Lower average costs arising from a large firm operating its finance department more efficiently
 - C Lower average costs due to the ability of large firms to borrow more cheaply
 - D Lower average costs occurring because of the use of larger capital equipment

- 4 Why might the growth of an industry reduce a firm's costs of production?
 - A It may cause a decrease in subsidiary industries
 - B It may create greater competition for resources
 - C It may lead to the development of specialist markets
 - D It may reduce the supply of infrastructure

Four-part question

- a Define a *state-owned enterprise*. (2)
- b Explain why a firm may decide to stay small. (4)
- c Analyse **two** internal economies of scale. (6)
- d Discuss whether or not a merger between two book publishing firms will benefit consumers. (8)