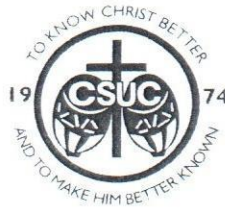


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# CHRISTIAN SERVICE UNIVERSITY COLLEGE

## KUMASI

### FACULTY OF HUMANITIES

### DEPARTMENT OF COMMUNICATION STUDIES

#### BACHELOR OF ARTS IN COMMUNICATION

End of Second Semester Examination, 2020/2021 Academic Year

Level 400

**BACS 412: PRINCIPLES OF BUSINESS MANAGEMENT**

May, 2021

[30 marks]

50mins

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#### GENERAL INSTRUCTION TO CANDIDATES:

- i. This paper comprises 60 Multiple Choice Questions. **ANSWER ALL QUESTIONS** by **CIRCLING** the most appropriate option in **INK** on the Question Paper.
- ii. Clearly indicate your **index number** on every page of the question paper.
- iii. You are required to return your question paper upon completion.

**You are NOT to start work or turn to the next page until you are told to do so. Do not take away any section of this paper**

*Examiner: Dennis Sarkodie Owusu*

Index number: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

1. Which of the broad category of industry covers oil refinery and sugar mills?
  - A. Primary
  - B. Secondary
  - C. Tertiary
  - D. None of the above
2. Profits do not have to be shared. This statement refers to
  - A. Partnership
  - B. Public corporations
  - C. Sole Proprietorship
  - D. Company
3. Board of Directors in a public limited liability company are selected by
  - A. General Public
  - B. Government agencies
  - C. Shareholders
  - D. Employees
4. Shareholders are called
  - A. Owners of the company
  - B. Partners of the company
  - C. Executives of the company
  - D. Guardians of the company
5. Internal sources of capital are those that are
  - A. Generated though outsiders such as suppliers
  - B. Generated though loans from commercial banks
  - C. Generated through issue of shares
  - D. Generated within the business
6. Provision of residential accommodation to members at reasonable rates is the objective of a
  - A. Producers' cooperative
  - B. Consumers' cooperative
  - C. Housing cooperative
  - D. Credit cooperative
7. Minimum number of members to form a partnership is/are
  - A. Two
  - B. Three
  - C. Five
  - D. Seven
8. Maximum number of members to own a public company is/are
  - A. Five
  - B. Seven
  - C. Twelve
  - D. Unlimited
9. The following are ways of providing economic value in business except
  - A. Resale
  - B. Agency
  - C. Lease
  - D. Smuggling
10. Which one of the following may not be a factor behind starting a business?
  - A. Routine workload
  - B. size of the business
  - C. finance
  - D. location of the business

11. Which of the following is not a characteristic of Business?
- A. Dealing in goods and services
  - B. Satisfies a need or want
  - C. It does not sell the value it creates
  - D. Aims at earning profits.
12. An enterprise that provides products or services that customers desire is a /an:
- A. Institution
  - B. Market
  - C. Agency
  - D. Business
13. What is the easiest form of business to start and to end?
- A. Sole proprietorship
  - B. Limited partnership
  - C. Corporation
  - D. Cooperative
14. A (n) \_\_\_\_\_ is a person who assumes the risk of starting a business.
- A. manager
  - B. stakeholder
  - C. entrepreneur
  - D. private investor
15. Which of the following does not characterize business activity?
- A. Productions of goods and services
  - B. Presence of risk
  - C. Sale or exchange of goods and services
  - D. Salary or wages
16. The industry which provide support services to other industries are known as
- A. Primary industries
  - B. Secondary industries
  - C. Commercial industries
  - D. Tertiary industries
17. \_\_\_\_\_ includes the rules and regulations, necessary to manage the internal affairs of the company.
- A. Memorandum of Association
  - B. Article of Association
  - C. Prospectus
  - D. All of the given option
18. An arrangement whereby business owners allow others to use their trademark, trade name, or copyright under specified conditions is
- A. Franchise
  - B. joint venture
  - C. distribution
  - D. cartel
19. The liability of a sole trader is \_\_\_\_\_
- A. limited only to his investment in the business
  - B. Limited to the total resources of the business
  - C. Unlimited
  - D. Not defined
20. How funds are obtained and invested by the firm is determined by the:
- A. Finance function
  - B. Marketing function
  - C. Organizing function
  - D. Accounting function



21. ----- consists of economic conditions, economic policies, industrial policies and economic system.
- A. Business environment
  - B. Economic environment
  - C. Natural environment
  - D. None of the above
22. An analysis of the external environment enables a firm to identify -
- A. Strengths and opportunities
  - B. Strength and weakness
  - C. Weakness and threats
  - D. Opportunities and threats
23. Business finance can come from either internal or external sources. (a) Which of the following is an internal source of finance?
- A. A loan from a bank.
  - B. An overdraft.
  - C. Selling assets.
  - D. A stock market flotation.
24. A doctor attending to patients in his/her clinic is engaged in an economic activity.
- A. True
  - B. False
25. A mother stitching clothes for her children is engaged in an economic activity.
- A. True
  - B. False
26. A tailor stitching clothes for his customers is engaged in an economic activity.
- A. True
  - B. False
27. Distributing food to beggars outside the temple is a noneconomic activity.
- A. True
  - B. False
28. Consumer cooperative societies are formed to
- A. Provide housing facilities to the members
  - B. Facilitate marketing of goods
  - C. Protect the interest of the consumers
  - D. Provide financial support to the members
29. Which type of industries provide support service activities to other types of industries?
- A. Commercial industries
  - B. Primary industries
  - C. Secondary industries
  - D. Tertiary industries
30. In business, why is it essential to make a profit?
- A. It provides a return to investors.
  - B. It provides funds for future extension
  - C. It increases the reputation of a company
  - D. All the above
31. Which of the following is not a management function?
- A. Planning
  - B. Staffing
  - C. Cooperating
  - D. Controlling

32. Business finance is needed to

- A. Establish a business
- B. Run a business
- C. Expand a business
- D. All of the above

33. Financial Management aims at

- A. Reducing the cost of funds procured
- B. Keeping the risk under control
- C. Achieving effective deployment of such funds
- D. All of the above

34. Which of the following is not a source of borrowed funds?

- A. Loan from financial institutions
- B. Debentures
- C. Retained earnings
- D. Public deposits

35. Which of the following is not a part of the business environment of business?

- A. Customers
- B. Suppliers
- C. Competitors
- D. None of the above

36. Which of the following is a cash inflow?

- A. Payments to suppliers.
- B. Purchasing assets.
- C. Longer credit terms for customers.
- D. Taking out a bank loan.

37. Which of the following is not a feature of business environment?

- A. Relativity

B. Dynamic nature

C. Certainty

D. Uncertainty

38. Colour television wiped out the market for black and white television. Identify the environmental dimension.

- A. Social environment
- B. Political environment
- C. Legal environment
- D. Technological environment

39. A business with between 1 and 50 owners with limited liability is

- A. private company
- B. public company
- C. sole trader
- D. co-operative

40. A business entity that is listed on the stock exchange is a

- A. private company
- B. public company
- C. sole trader
- D. co-operative

41. A business with between 2 and 20 owners who are jointly and severally liable for the debts of the business

- A. private company
- B. public company
- C. sole trader
- D. partnership

42. A business with one owner who has unlimited liability

- A. private company
- B. public company
- C. sole trader
- D. co-operative

43. The possibilities of inadequate profits or even losses due to uncertainties are known as \_\_\_\_\_.

- A. Business contingencies
- B. Business risks
- C. Business ventures
- D. None of these

44. Following are the characteristics of business risks. One of them is not correct. Please identify it.

- A. Loss is the reward for risk bearing
- B. Business risks are due to uncertainties
- C. Risk is an essential component of every business
- D. Degree of risk depends mainly upon the nature and size of business

45. The written agreement between the partners is known as \_\_\_\_\_.

- A. Partnership Agreement
- B. Partnership Deed
- C. Partnership Contract
- D. All of the above

46. The main reason which contributed towards the development of company form of organisation is \_\_\_\_\_.

- A. need for large capital
- B. need for limited liability
- C. Ease of Formation
- D. Both (a) and (b)

47. The biggest disadvantage of partnership is \_\_\_\_\_.

- A. Limited Liability

- B. Unlimited Liability
- C. Ease of Formation
- D. Both (a) and (b)

48. Which of the following is considered as an artificial person?

- A. Sole Proprietor
- B. Partnership
- C. Company
- D. None of the above

49. \_\_\_\_\_ is the process of providing incentives to employees to work to meet specific objectives.

- A. Leadership
- B. Motivation
- C. Free rein style
- D. Democratic style

50. Which of the following is EXCLUDED from the advantages of sole proprietorship?

- A. Unlimited Liability
- B. Personal Satisfaction
- C. Entire Profit
- D. Independence

51. In which of the following do two or more organizations collaborate on a project for mutual gain?

- A. Limited partnership
- B. joint venture
- C. Public corporation
- D. Strategic alliance

52. Which business functions deal with emails and software applications?

- A. Information Technology
- B. Operations
- C. Marketing
- D. Management



53. Which function of business is responsible for the hiring and firing of employees?

- A. Accounting
- B. Management
- C. Operations
- D. Human Resources

54. What function of business is responsible for paying bills?

- A. management
- B. accounting
- C. human resources
- D. marketing

55. Anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need is called a(n):

- A. idea
- B. demand
- C. product
- D. service

56. The task of any business is to deliver \_\_\_\_\_ for customers at a profit.

- A. needs
- B. value
- C. services
- D. quality

57. In this type of economic system, the Government intervention will be absent

- A. Capitalist economy
- B. Socialist economy
- C. Mixed economy
- D. None of the above

58. These are forces within company that affect the company's performance

- A. External environment
- B. Internal environment
- C. Technological environment
- D. Natural environment

59. ----- is an economic system where the means of production are owned and managed by the State

- A. Capitalism
- B. Socialism
- C. Mixed economy
- D. Common economy

60. To comply with legal requirements to register a private limited company, the firm must provide at least two documents. These are:

- A. a prospectus and a certificate of origin.
- B. a memorandum of association and articles of association.
- C. a certificate of trading and tax file number.
- D. a share certificate and a debenture certificate.