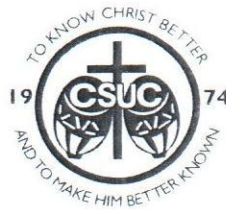


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CHRISTIAN SERVICE UNIVERSITY COLLEGE KUMASI

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

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

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.