



**CHRISTIAN SERVICE UNIVERSITY COLLEGE- KUMASI**

**CSUC SCHOOL OF BUSINESS**

**DEPARTMENT OF ACCOUNTING AND FINANCE**

**End of Second Semester Examination, 2020/2021 Academic Year**

**Level 200 (January-Regular, Evening and Weekend)**

**CSBF 260 - BUSINESS AND THE ECONOMY OF GHANA**

**INDEX NUMBER:**

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**August, 2021**

**(30Marks)**

**TIME: 1<sup>1</sup>/<sub>4</sub> Hours**

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**SECTION A – OBJECTIVES.**

**GENERAL INSTRUCTIONS:** Attempt all questions. Each question is followed by four options lettered A-D. Answer each question by ticking the correct option. Submit your paper to the invigilator at the end of 1<sup>1</sup>/<sub>4</sub> hours.

1. All the following place a severe limitation on the rate of Ghana's economic growth except
  - A. High level of internal savings.
  - B. Entrepreneurial Skills.
  - C. Technology.
  - D. Unskilled labour.
2. The bulk of exports from Ghana are
  - A. Finished goods.
  - B. Semi-finished goods.
  - C. Raw materials.
  - D. Industrial materials.
3. The tertiary sector mainly provides
  - A. Information.
  - B. Services.
  - C. Technology.
  - D. Capital.
4. Ghana as a developing economy practices
  - A. Capitalism
  - B. Socialism
  - C. Traditionalism
  - D. Mixed economy.
5. One main feature of developing economy is
  - A. Heavy external debt.
  - B. High standard of living.
  - C. Low illiteracy.
  - D. High wage rates.
6. Production in Ghana is highly
  - A. Capital intensive
  - B. Labour intensive.
  - C. Economical.
  - D. Advanced.
7. This sector contributes the greatest proportion to the GDP of Ghana
  - A. Primary.
  - B. Secondary.
  - C. Tertiary.
  - D. Commercial.
8. Small scale production dominates in Ghana due to
  - A. Inadequate labourforce.
  - B. Inadequate capital
  - C. Inadequate raw materials.
  - D. Inadequate education.
9. One of the following is a setback to the secondary sector in Ghana.
  - A. Poor infrastructure.
  - B. Unskilled labour.
  - C. Unreliable weather.
  - D. Unstable power supply.
10. Development plan aims at
  - A. Improving the GDP.
  - B. Reducing the standard of living.
  - C. Cutting down on cost of production.
  - D. Removing market bottlenecks.
11. Which of the following is **not** a primary economic activity?
  - A. Mining.
  - B. Quarrying.
  - C. Lumbering.
  - D. Construction.
12. A successful development plan will
  - A. Promote population growth.
  - B. Encourage consumer exploitation.
  - C. Promote exodus of the youth.
  - D. Enhance general welfare.

13. A major determinant of economic growth is  
A. Human capital.  
B. Technological advancement.  
C. Raw materials.  
D. Natural resource.

14. If real GDP increases and population rises in equal proportion,  
A. Per capita income will fall.  
B. Per capita income will increase.  
C. Per capita income will not change.  
D. None of the above.

15. One major problem of agriculture in Ghana is  
A. Poor road network.  
B. Small market size.  
C. Taste for foreign goods.  
D. Inadequate labourforce.

16. Excise duty is a levy on  
A. Imported goods.  
B. Exported goods.  
C. Goods in transit.  
D. Locally made goods.

17. A tax levy initially falls on  
A. The producer.  
B. The consumer.  
C. The buyer.  
D. The seller.

18. Indirect tax is a levy imposed on  
A. Income.  
B. Goods and services.  
C. Properties.  
D. Land.

19. The desire for profit is a major feature of  
A. Market economy.  
B. Mixed economy.  
C. Traditional economy.  
D. Command economy.

20. The final resting place of a tax levy is the  
A. Incidence.  
B. Landing place.  
C. Recipient.  
D. Payee.

21. Personal income tax is an example of a  
A. Value Added Tax.  
B. Direct tax.  
C. Indirect tax.  
D. Proportionate tax.

22. The proportion of the population who are eligible for work is the  
A. Labourforce.  
B. Labour supply.  
C. Labour union.  
D. Labour component.

23. The difference between GDP and GNP is  
A. Depreciation.  
B. Net indirect taxes.  
C. Per capita income.  
D. Net factor income.

24. Seasonal unemployment is to weather as structural unemployment is to  
A. Skills.  
B. Capital.  
C. Resources.  
D. Needs.

25. A point X inside a production possibility curve
- A. Resources are fully utilized.
  - B. Some resources are idle.
  - C. The country is poor.
  - D. Resources are unavailable.
26. A **major** employer of labour in developing economies is the
- A. Tertiary sector.
  - B. Secondary sector.
  - C. Industrial sector.
  - D. Primary sector.
27. Income available for use is the
- A. Gross income.
  - B. Income before tax.
  - C. Disposable income.
  - D. Personal income.
28. Human development can be improved if
- A. Banks give more loans to businessmen.
  - B. General education and training are encouraged.
  - C. Large family sizes are encouraged.
  - D. It is handled by the private sector.
29. Agricultural productivity may be increased if
- A. Educational institutions are established in rural areas.
  - B. More infrastructural facilities are provided in rural areas.
  - C. Commercial banks are established in rural areas.
  - D. Labour intensive method of agriculture is encouraged.
30. A statement of national economic programs meant for implementation over a number of years is known as
- A. Development statement.
  - B. Development document.
  - C. Development plan.
  - D. Development guide.
31. A country is described as industrialized if
- A. The country adopts import promotion strategy.
  - B. Traditional and modern sectors coexist.
  - C. The contribution of industries to national income is high.
  - D. Primary industries dominate the country.
32. Which of the following is a major advantage of establishing a tomato processing factory in your country?
- A. Local consumption will decrease.
  - B. Foreign exchange will be conserved.
  - C. More unskilled labour will be employed.
  - D. It will attract more tourists.
33. The total value of goods and services produced within the borders of a country is
- A. Gross domestic product.
  - B. Net domestic product.
  - C. Net national income.
  - D. Gross national product.

34. A labour cannot find job because his skills do not match with the available job opportunity, he is said to be.....unemployed.
- Seasonally.
  - Temporary.
  - Structurally.
  - Frictional.
35. One of the following takes the least proportion of general income in Ghana.
- Entertainment.
  - Food.
  - Health.
  - Transportation.
36. Which of the following is **not** considered as transfer payment when calculating the national income?
- Pension pay.
  - Doctor's salary.
  - Student grant.
  - Government subsidy.
37. Citizens are protected from governments arbitrariness in taxation by the canon of
- Elasticity.
  - Flexibility.
  - Certainty.
  - Economy.
38. In most developing economies, development plans do **not** achieve their objectives due to
- Lack of educational institutions in those countries.
  - Exportation of more primary products.
  - Poor coordination between local and national government.
  - Urban-rural migration of citizens.
39. Intermediate transactions are not included in the calculation of the national income because
- Their values cannot be accurately calculated.
  - Their values are unstable.
  - There is need to avoid double counting.
  - There is the need to inflate the aggregate.
40. An improvement in a country's terms of trade means that the
- Value of her imports is lower than her exports.
  - Nations receipts on export are equal to payments on imports.
  - Nation can export more services.
  - Visible exports are less than visible imports.
41. The use of interest rates to control money supply is a
- Control policy.
  - Development policy.
  - Monetary policy.
  - Fiscal policy.
42. A successful development planning will not lead to
- Rapid economic growth.
  - Reduced income inequality.
  - A fall in the standard of living.
  - Increase in malnutrition.

43. Goods and services which cannot be satisfactorily provided through the market are described as
- Public goods.
  - Complimentary goods.
  - Scarce goods.
  - Inferior goods.
44. One of the following does not describe the process of adding to the capital stock of the nation?
- Accumulation.
  - Investment.
  - Capital formation.
  - Consumption.
45. An economic recession is usually associated with
- Full employment.
  - A decrease in aggregate demand.
  - A balance of payment surplus.
  - A fall in the rate of inflation.
46. Disposable income is defined as
- Personal income plus pay-roll taxes.
  - Personal income plus divided payments.
  - Personal income minus personal income tax.
  - Personal income plus personal savings.
47. The proportion of the total real GDP of Ghana in a year is the
- Standard of living.
  - Cost of living.
  - Economic growth.
  - Economic development.
48. The Net National Product is
- A nation's total supply of currency.
  - A country's total output.
  - Government's total revenue and expenditure.
  - Total wages and salaries.
49. An arrangement which allows job seekers and employers to interact is
- An industrial market.
  - Product market.
  - A capital market.
  - A factor market.
50. A country's external debt is owed to the
- The World Bank.
  - Foreign investors
  - Foreign lenders
  - Nationals abroad
51. One of the following taxes cannot be passed on to others
- Excise tax
  - Income tax
  - Customs duty
  - Value Added Tax
52. If the gross domestic product is constant, per capita income will fall in an economy whose population is
- Decreasing
  - Stagnant
  - Optimum
  - Increasing
53. One of the following is not an income.
- Bonus
  - Rent
  - Wage
  - Profit

54. If government wants to discourage consumption of a particular good or service, it must increase tax on a good with
- A. Elastic demand
  - B. Inelastic demand
  - C. Perfectly elastic demand
  - D. Unitary elastic demand
55. Gross domestic product minus net factor income is equal to
- A. Net earnings from abroad
  - B. Net national income
  - C. Net earnings of nationals in and without
  - D. Per capita national income
56. Which of the following is a direct tax?
- A. Excise tax
  - B. Customs duty
  - C. Income tax
  - D. Value added tax

57. A major feature of any developing country is
- A. High levels of savings
  - B. High standard of living
  - C. High debt to GDP ratio
  - D. High per capita income
58. The main motive for production in a capitalist economy is
- A. Profit
  - B. Cash
  - C. Income
  - D. Welfare
59. The income approach to estimate the national income excludes
- A. Government purchases
  - B. Profit
  - C. Rent
  - D. Wages
60. Which of the following does not directly affect productivity?
- A. The quantity of inputs.
  - B. The quality of inputs.
  - C. The price of inputs.
  - D. The level of technology.

END OF PAPER

EXAMINER: NAOMI OPOKU (MS)