



**CHRISTIAN SERVICE UNIVERSITY COLLEGE- KUMASI**

**CSUC SCHOOL OF BUSINESS**

**DEPARTMENT OF ACCOUNTING AND FINANCE**

**End of Second Semester Examination, 2018/2019 Academic Year**

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

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

**INDEX NUMBER:**

**PROGRAMME:**

**AUGUST, 2019**

**(25 Marks)**

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

**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. Ghana as a developing economy practices
  - A. Capitalism
  - B. Socialism
  - C. Traditionalism
  - D. Mixed economy.
  
2. One main feature of developing economy is
  - A. Heavy external debt.
  - B. High standard of living.
  - C. Low illiteracy.
  - D. High wage rates.
  
3. Production in Ghana is highly
  - A. Capital intensive
  - B. Labour intensive.
  - C. Economical.
  - D. Advanced.
  
4. The bulk of exports from Ghana are
  - A. Finished goods.
  - B. Semi-finished goods.
  - C. Raw materials.
  - D. Industrial materials.
  
5. This sector contributes the greatest proportion to the GDP of Ghana
  - A. Primary.
  - B. Secondary.
  - C. Tertiary.

- D. Commercial.
6. Small scale production dominates in Ghana due to
- A. Inadequate labourforce.
  - B. Inadequate capital
  - C. Inadequate raw materials.
  - D. Inadequate education.
7. The tertiary sector mainly provides
- A. Information.
  - B. Services.
  - C. Technology.
  - D. Capital.
8. Which of the following is **not** a primary economic activity?
- A. Mining.
  - B. Quarrying.
  - C. Lumbering.
  - D. Construction.
9. One major problem of agriculture in Ghana is
- A. Poor road network.
  - B. Small market size.
  - C. Taste for foreign goods.
  - D. Inadequate labourforce.
10. 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.

11. 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.

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. The difference between GDP and GNP is

- A. Depreciation.

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- B. Net indirect taxes.
  - C. Per capita income.
  - D. Net factor income.
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 final resting place of a tax levy is the
- A. Incidence.
  - B. Landing place.
  - C. Recipient.
  - D. Payee.
20. Income available for use is the

- A. Gross income.
- B. Income before tax.
- C. Disposable income.
- D. Personal income.

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. Seasonal unemployment is to weather as structural unemployment is to

- A. Skills.
- B. Capital.
- C. Resources.
- D. Needs.

24. 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.
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. The desire for profit is a major feature of
- A. Market economy.
  - B. Mixed economy.
  - C. Traditional economy.
  - D. Command economy.
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. The use of interest rates to control money supply is a
- A. Control policy.
  - B. Development policy.

- C. Monetary policy.
- D. Fiscal policy.

30. 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.

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. Which of the following is **not** considered as transfer payment when calculating the national income?



- A. Pension pay.
  - B. Doctor's salary.
  - C. Student grant.
  - D. Government subsidy.
35. Citizens are protected from governments arbitrariness in taxation by the canon of
- A. Elasticity.
  - B. Flexibility.
  - C. Certainty.
  - D. Economy.
36. Goods and services which cannot be satisfactorily provided through the market are described as
- A. Public goods.
  - B. Complimentary goods.
  - C. Scarce goods.
  - D. Inferior goods.
37. In most developing economies, development plans do **not** achieve their objectives due to
- A. Lack of educational institutions in those countries.
  - B. Exportation of more primary products.
  - C. Poor coordination between local and national government.
  - D. Urban-rural migration of citizens.
38. An improvement in a country's terms of trade means that the
- A. Value of her imports is lower than her exports.
  - B. Nations receipts on export are equal to payments on imports.
  - C. Nation can export more services.

- D. Visible exports are less than visible imports.
39. An economic recession is usually associated with
- A. Full employment.
  - B. A decrease in aggregate demand.
  - C. A balance of payment surplus.
  - D. A fall in the rate of inflation.
40. 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.
41. One of the following takes the least proportion of general income in Ghana.
- A. Entertainment.
  - B. Food.
  - C. Health.
  - D. Transportation.
42. The proportion of the total real GDP of Ghana in a year is the
- A. Standard of living.
  - B. Cost of living.
  - C. Economic growth.
  - D. Economic development.
43. One of the following does not describe the process of adding to the capital stock of the nation?
- A. Accumulation.
  - B. Investment.
  - C. Capital formation.
  - D. Consumption.
44. Intermediate transactions are not included in the calculation of the national income because
- A. Their values cannot be accurately calculated.
  - B. Their values are unstable.
  - C. There is need to avoid double counting.
  - D. There is the need to inflate the aggregate.
45. A successful development planning will not lead to
- A. Rapid economic growth.
  - B. Reduced income inequality.
  - C. A fall in the standard of living.

- D. Improvement in the allocation of scarce economic resources.
46. Disposable income is defined as
- A. Personal income plus pay-roll taxes.
  - B. Personal income plus dividend payments.
  - C. Personal income minus personal income tax.
  - D. Personal income plus personal savings.
47. The Net National Product is
- A. A nation's total supply of currency.
  - B. A country's total output.
  - C. Government's total revenue and expenditure.
  - D. Total wages and salaries.
48. An arrangement which allows job seekers and employers to interact is
- A. An industrial market.
  - B. Product market.
  - C. A capital market.
  - D. A factor market.
49. When a labour cannot find job because his skills do not match with the available job opportunity, he is said to be.....unemployed.
- A. Seasonally.
  - B. Temporary.
  - C. Structurally.
  - D. Frictional.
50. 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)**