WASSCE BUSINESS MANAGEMENT 2012

PAPER ONE

1. The process of dividing work and assigning responsibilities is

A. planning

B. coordinating

C. directing

D. organizing

2. Which of the following groups of producers falls under the manufacturing industry?

A. Miner and welder.

B. Shoe maker and tailor

C. Builder and farmer

D. Banker and insurance agent

3. The tax paid by companies on their profit is

A. excise duties

B. value added tax

C. corporate tax

D. Pay-As-You-Earn tax

4. The technique of charging low prices for some goods in a shop to attract customers to other products is

A. premium pricing

B. loss leader pricing

C. skimming pricing

D. penetration pricing

5. The practice of concentrating one's effort on a particular activity is

A. commercialization

B. production

C. specialization

D. division of labour

6. Which of the following is not an advantage of sole proprietorship?

A. large capital

B. quick decision-making

C. easy to set up

D. flexible working hours

7. An advantage of specialization is

A. division of labour

B. full employment

C. high technology

D. increased output

8. In a limited partnership, there must be a

A. nominal partner

B. guarantee partner

C. dormant partner

D. general partner

9. The withdrawal or death of a partner from a business leads to

A. liquidation

B. dissolution

C. bankruptcy

D. cessation

10. A private limited liability company can start operations only after receiving

A. certificate of trading

B. articles of association

C. memorandum of association

D. certificate of incorporation

11. The place of delivering goods in the Sale of Goods Act is the

A. buyer’s place of business

B. buyer’s residence

C. seller’s residence

D. seller’s place of business

12. In the formation of a public limited liability company, the minimum number of shareholders required is

A. two

B. three

C. five

D. seven

13. All the following are disadvantages of a public limited liability company except that

A. they are expensive to set up

B. they have diseconomies of scale

C. shares are transferable

D. decision-making is slow

14. Which of the following is a reason for government's ownership of business enterprises?

A. Making of high profits

B. providing essential services

C. charging exclusive prices for goods and services

D. encouraging nationalization

15. A prospectus is normally issued by

A. sole proprietorship

B. partnership

C. co-operative society

D. company

16. Which of the following is financed with taxpayers' money?

A. public corporation

B. public limited company

C. private limited company

D. co-operative society

17. Business organizations have the responsibility to pay tax on their profits to

A. shareholders

B. board of directors

C. government

D. consumers

18. The transmission of information from the marketing manager to the production manager is an example of

A. diagonal communication

B. horizontal communication

C. downward communication

D. upward communication

19. Democratic control as a principle of co-operative society means

A. one vote per person

B. every participant must receive a share of profit

C. membership is open to all

D. committee leadership

20. Which of the following completes the communication process?

A. Encoding

B. Message

C. Feedback

D. Decoding

21. Which of the following is an unofficial form of communication?

A. memorandum

B. report

C. grapevine

D. circular

22. Effective communication is hindered by

A. planning the message

B. selecting an appropriate channel

C. providing feedback

D. using jargons

23. Information which is gathered for decision-making should have all of the following characteristics except

A. relevance

B. accurate

C. reliable

D. costly

24. An electronic device that can process, store and distribute information is known as

A. computer

B. internet

C. scanner

D. printer

25. The responsibility of making key business decisions rests with

A. employees

B. shareholders

C. management

D. unions

26. The final stage in decision-making process is to

A. evaluate all possible alternatives

B. implement the best alternative chosen

C. develop alternative courses of action

D. gather information about the problem

27. At what stage in the decision-making process are the strengths and weaknesses of various courses of action identified?

A. definition of the problem

B. gathering of information

C. evaluation of alternatives

D. choosing an alternative course of action

28. Which of the following stakeholders of a business expects a reasonable return on investment?

A. consumers

B. competitors

C. government

D. shareholders

29. Decision-making at the lower levels of management is

A. operational

B. strategic

C. tactical

D. unprogrammed

30. The idea that the consumer is the king is a reflection of the

A. market segmentation

B. target marketing

C. marketing concept

D. seller’s market

31. Commercial banks meet to settle their financial indebtedness at the

A. money market

B. clearing house

C. stock market

D. discount house

32. A contract that depends on future performance of the parties must have

A. executed consideration

B. quantum meruit

C. real consideration

D. executory consideration

33. Which of the following is an audio-visual means of promoting a product?

A. television

B. radio

C. magazine

D. catalogue

34. Which of the following is not a rule relating to consideration? It

A. validates a contract

B. must not be past

C. must be legal

D. must be adequate

35. For a contract to be enforced there must be

A. a witness

B. an offer

C. genuine consent

D. an acceptance

36. If an agent is to make a contract for his principal in the form of a deed, he must have

A. a power of attorney

B. a special authority

C. an implied authority

D. a letter of administration

37. The amount paid by an insured to an insurer is

A. commission

B. premium

C. interest

D. discount

38. Which of the following is not a feature of co-operative society?

A. share of profit is by patronage

B. membership is open to all interested members of the public

C. shares can be freely transferred from one member to another

D. each member has a single vote

39. Which of the following is a primary stakeholder in a business?

A. media

B. government

C. employees

D. suppliers

40. An independent person appointed to resolve dispute during collective bargaining is

A. arbitrator

B. moderator

C. co-ordinator

D. mediator

41. Which of the following is the responsibility of business to its shareholders? Payment of

A. dividend

B. taxes

C. union dues

D. commission

42. The primary objective of any business organization is to

A. produce goods

B. maximize profit

C. increase market share

D. create employment

43. Who is the acceptor of a bill of exchange?

A. creditor

B. drawer

C. payee

D. drawee

44. Which of the following taxes is paid by a sole trader on wages for a shop assistant?

A. income tax

B. corporate tax

C. indirect tax

D. value added tax

45. A tax imposed on the sale of acquired assets is

A. value added tax

B. capital gains tax

C. corporate tax

D. specific tax

46. Which of the following is not a source of government revenue?

A. royalties

B. barter

C. taxation

D. fines

47. Which of the following is a basis for market segmentation?

A. promotion tools

B. lifestyle and values

C. relation with buyers

D. marketing mix

48. The rate at which employees enter and leave an organization is

A. occupational mobility

B. division of labour

C. labour turnover

D. job rotation

49. Experts in the insurance industry responsible for the calculation of risks are called

A. actuaries

B. insurers

C. underwriters

D. agents

50. The direct exchange of goods for goods between two countries is known as

A. counter trade

B. multilateral trade

C. trade by barter

D. entrepot