WASSCE BUSINESS MANAGEMENT 2013

PAPER ONE

1. The ownership right in a limited liability company is in the form of

A. Commission
B. Interest
C. Profit
D. Shares

2. Management embarking on an activity aimed at identifying prospective buyers for their products is known as

A. Advertising
B. Branding
C. Market research
D. Sales promotion

3. Which of the following functions is performed by the central bank?

A. Giving advances to customers
B. Accepting deposits
C. Lender of last resort
D. Safeguarding valuables for customers

4. The price paid by one party for the promise made by another party in a contract is

A. Consideration
B. Acceptance
C. Invitation to treat
D. Offer

5. The stage in a product life cycle at which it is launched is

A. Introduction
B. Growth
C. Maturity
D. Decline

6. An industrial action involving employees working and carefully observing rules is

A. Boycott
B. Lock-out
C. Picketing
D. Work-to-rule

7. When an employer fails to follow the correct procedures in laying off an employee, that employee is said to be

A. Redeployed
B. Redundant
C. Wrongfully dismissed
D. Unfairly dismissed

8. Which of the following cannot be insured against?

A. Employee
B. Product liability
C. Employer’s liability
D. Management incompetence

9. Which of the following sources of revenue is taxable?

A. Grants
B. Profits
C. Subsidies
D. Transfers

10. Who is referred to as the payee of a cheque?

A. The person receiving money from the bank
B. The banker who issued the cheque book
C. The banker who verifies the cheque
D. The cashier who pays the cheque

11. The department in an organization which is responsible for the health and safety needs of workers is the

A. Personnel department
B. Finance department
C. Legal department
D. Marketing department

12. Market segmentation requires that each segment of the market should be seen as

A. Cluster
B. Continuous
C. Heterogeneous
D. Homogeneous

13. The management process ends with

A. Planning
B. Organizing
C. Directing
D. Controlling

14. Which of the following business units has the most governmental regulations and reporting requirements?

A. Sole proprietorship
B. Company
C. Co-operative society
D. Partnership

15. Directives and job instructions are examples of

A. Downward communication
B. Informal communication
C. Horizontal communication
D. Upward communication

16. The choice of an appropriate span of control in an organization is not affected by

A. Competitors
B. Efficiency of staff
C. Nature of work
D. Interdependence

17. Most businesses start operation as a result of ideas about products initiated by

A. A broker
B. An entrepreneur
C. A franchisee
D. An employee

18. A firm's investment in assets such as cash, debtors and inventory is called

A. Profit
B. Fixed capital
C. Working capital
D. Liability

19. The lump sum of money paid by the insurer to the insured for prematurely terminating a life policy is

A. Surrender value
B. Salvage value
C. Sum assured
D. Annuity

20. Which of the following is the third step in solving a problem in the production department?

A. Establishment of objectives
B. Gathering of information
C. Developing possible alternative courses of action
D. Revision of decision to meet dynamic changes

21. Which of the following is a secondary stakeholder to a business?

A. Customer
B. Employees
C. Government
D. Shareholders

22. Application of computers in business includes all of the following except

A. Downloading of hardware
B. Recruitment and selection
C. Billing of customers
D. Payroll preparation

23. Alpha engaged Kofi as an agent for the purchase of a Volvo saloon car. Kofi in this case is acting as a

A. Del credere agent
B. General agent
C. Special agent
D. Universal agent

24. In the sale of specific goods, where the seller is required to put the goods in a deliverable state, the title of ownership will pass

A. When the goods are put in a deliverable state
B. At the time of the contract
C. When the buyer receives notice that the goods are in a deliverable state
D. When the goods are placed in the seller's warehouse

25. Which of the following agents has the authority to take legal possession of goods if his principal fails to pay his commission?

A. Broker
B. Del credere agent
C. Estate agent
D. Factor

26. A person who wants to buy shares on the stock exchange would first contact a

A. Analyst
B. Broker
C. Factor
D. Shareholder

27. Which of the following affects the purchasing power of money?

A. Cash ratio
B. Optimum employment
C. Inflation
D. Savings

28. An insurance policy which covers an event that is bound to occur is

A. Accident
B. Life
C. Marine
D. Motor

29. Which of the following investors in a company first receives payment in a period of liquidation?

A. Ordinary shareholders
B. Non-preference shareholders
C. Debenture holder
D. Cumulative preference shareholders

30. The insurance premium on an employees' compensation policy is paid by the

A. Government
B. Trade union
C. Employees
D. Employer

31. The process by which a business sells the amount owed by its debtors to another company is

A. Trade credit
B. Factoring
C. Leasing
D. Mortgaging

32. The principle of proximate cause in insurance implies that the event insured against

A. Is likely to occur
B. Is measurable and sure
C. Must be the immediate cause of the loss
D. Must be the remote cause of the loss

33. The situation whereby labour and management meet to discuss and agree on wages and conditions of service is

A. Grievance resolution
B. Trade union agitation
C. Collective bargaining
D. Joint consultation

34. In a situation where A, by his actions, makes B believe that C is A's agent and C contracts with B, C becomes an agent by

A. Agreement
B. Estoppel
C. Implication
D. Necessity

35. The payment made for debt factoring is called

A. Advance
B. Commission
C. Rent
D. Salary

36. Pay-As-You-Earn tax is an example of

A. Regressive tax
B. Poll tax
C. Sales tax
D. Progressive tax

37. Oral communication does not include

A. Face-to-face communication
B. Facsimile
C. Meetings
D. Seminars

38. All the following are advantages of advertising except

A. Persuading people to buy what they do not want
B. Increasing the firm's share of the market
C. Educating the public about the uses of goods
D. Creating a good image for the organization

39. Which of the following documents is a bill of exchange?

A. Standing order
B. Cheque
C. Bill of lading
D. Direct debit

40. A bank overdraft is normally granted to

A. Savings account holders
B. Call account holders
C. Fixed deposit account holders
D. Current account holders

41. Which of the following is the final stage in the development of a new product?

A. Development of prototype
B. Test marketing
C. Business analysis
D. Commercialization

42. The process by which raw materials are converted into finished goods is known as

A. Commercialization
B. Construction
C. Manufacturing
D. Warehousing

43. In the discharge of a contract where a greater part of the work is done, a claim can be made on the basis of

A. Quantum meruit
B. Damages
C. Specific performance
D. Agreement

44. Which of the following belongs to the extractive industry?

A. Road construction
B. Taxi driving
C. Mending of shoes
D. Drilling of crude oil

45. An actuary is the expert who

A. Calculates the premium payable for an insurance policy
B. Writes up insurance cover notes for the insured
C. Assesses the extent of risk sustained by the insured
D. Brings clients to an insurance company

46. Staffing as a management activity falls under the

A. Planning function
B. Organizing function
C. Directing function
D. Controlling function

47. The appointment of the board of directors of a bank is carried out by the

A. Creditors
B. Debenture holders
C. Promoters
D. Shareholders

48. Re-exporting of imported goods is called

A. Counter-trade
B. Entrepôt trade
C. Trade liberalization
D. Free trade

49. Which of the following functions is not performed by a wholesaler?

A. Hawking
B. Publicity
C. Re-packaging
D. Warehousing

50. The situation whereby the holder of a bill receives an amount less than the face value before the maturity date is

A. Retiring a bill
B. Redeeming a bill
C. Discounting a bill
D. Dishonouring a bill