WEST AFRICAN SENIOR SCHOOL CERTIFICATE EXAMINATION

BUSINESS MANAGEMENT

PAPER 1 — OBJECTIVE TEST

2018

Time Allowed: 1 hour | 50 Questions

Answer all the questions. Each question is followed by four options lettered A to D. Find the correct option for each question and shade in pencil on your answer sheet the answer space which bears the same letter as the option you have chosen.

1. A business organization whose source of capital is from government subvention or grants is a

A. co-operative society.
B. public corporation.
C. public limited liability company.
D. small-scale enterprise.

2. State-owned enterprises must at least break-even. This means

A. their prices must be affordable.
B. their profit must exceed their operational cost.
C. they must generate revenue to just cover cost.
D. they must maximize profit.

3. A person who wants information about the history and viability of a company for the purpose of buying shares must look for the

A. articles of association.
B. proposal.
C. prospectus.
D. regulation of a company.

4. An effective way to enhance co-ordination in an organization is through

A. adequate planning.
B. committee meetings.
C. regular delegation.
D. staff motivation.

5. The exchange of services between two countries is

A. balance of trade.
B. invisible trade.
C. terms of trade.
D. visible trade.

6. The last element in the channel of distribution is the

A. consumer.
B. distributor.
C. importer.
D. wholesaler.

7. Governments can protect infant industries from foreign competition by

A. giving them loans.
B. increasing excise duties.
C. increasing tariffs.
D. reducing the exchange rates.

8. An investor who buys shares at lower prices hoping to sell at a higher price is

A. an agent.
B. a bear.
C. a bull.
D. a jobber.

9. Which of the following taxes is a component of customs duty?

A. Income tax.
B. Excise duty.
C. Export duty.
D. Sales tax.

10. An exporter who deals in tangible goods is engaged in

A. counter trade.
B. entrepôt trade.
C. invisible trade.
D. visible trade.

11. The stage of integration which involves member nations having the same monetary and fiscal policies is

A. common market.
B. customs union.
C. economic union.
D. free trade area.

12. Which of the following insurance policies must be taken by a shipper to cover transportation cost?

A. Endowment insurance.
B. Freight insurance.
C. Goods-in-transit insurance.
D. Third party insurance.

13. A narrow span of control means

A. few subordinates report to top management.
B. the employee should take instructions from only one manager.
C. the manager supervises only few subordinates.
D. the organization's decisions are taken by selected managers.

14. An agent who sells in his own name is a

A. broker.
B. del credere agent.
C. factor agent.
D. jobber.

15. Any company that wants to produce goods to satisfy the lifestyle and culture of customers must examine the

A. economic environment.
B. legal environment.
C. technical environment.
D. sociocultural environment.

16. Communication is effective when

A. the information is conveyed and received.
B. the information passes through the right channel.
C. there is appropriate feedback.
D. the message is backed by law.

17. According to Maslow's hierarchy of needs, a recently employed graduate would be motivated by

A. physiological needs.
B. safety needs.
C. social needs.
D. esteem needs.

18. To prevent difficulties in decoding instructions by employees, managers must avoid the use of

A. microphone.
B. intercom.
C. jargons.
D. memorandum.

19. The responses given by customers to a marketing researcher are known as

A. data.
B. information.
C. record.
D. views.

20. When a party performs part of work and abandons the rest, he can be paid by

A. an injunction.
B. claim for damages.
C. ex gratia.
D. quantum meruit.

21. When auditors are engaged to assess the operations of an organization, management is performing the function of

A. planning.
B. organizing.
C. directing.
D. controlling.

22. Failure to fulfil one of the terms of a contract is a

A. breach of condition.
B. breach of warranty.
C. misrepresentation.
D. mistake.

23. An advertisement to promote a company's product is

A. external communication.
B. formal communication.
C. informal communication.
D. internal communication.

24. Which pricing technique is used when a producer wants to sell more at low prices?

A. Cost-plus pricing.
B. Flexible pricing.
C. Penetration pricing.
D. Skimming pricing.

25. Which of the following business practices ensures continuous production levels and avoids wastage in an organization?

A. Engaging only in cash sales.
B. Good inventory control.
C. Keeping of proper accounts.
D. Regular balance sheet analysis.

26. One characteristic of an entrepreneur is that he

A. believes in dependency on others for business success.
B. has a strong desire to take charge and control a business.
C. ignores businesses that start with small capital.
D. strives to be a chief executive officer of a company.

27. The process of establishing a challenging job which motivates and brings satisfaction to employees is

A. job analysis.
B. job enlargement.
C. job enrichment.
D. job evaluation.

28. A group of people whose activities affect the operation of a business are its

A. concerned citizens.
B. concerned observers.
C. debenture holders.
D. stakeholders.

29. Strategic decisions are made by

A. heads of department.
B. middle level management.
C. office supervisors.
D. top level management.

30. The central processing unit of a computer contains the

A. hardware, control units and memory.
B. memory, arithmetic logical unit and control unit.
C. memory, control unit and display unit.
D. software, keyboard and memory.

31. One method of training that allows the trainee to be part of the production process is

A. apprenticeship.
B. coaching.
C. role playing.
D. vestibule training.

32. Capacity as it relates to law of contract means that the parties

A. can engage in illegal business.
B. must have paid their taxes up to date.
C. must have funds to execute the contract.
D. must be more than 18 years old.

33. Welfare services that can be offered by organizations include provision of

A. hoists and lifts.
B. protective clothing.
C. recreational facilities.
D. training facilities.

34. Mensah paid GH¢800 to Robert Limited, a Korean firm, to send contraband goods to Canada. Such a contract is

A. enforceable.
B. fraudulent.
C. void.
D. voidable.

35. Which of the following items is contained in a job description?

A. Duties to be performed.
B. Marital status and age.
C. Religious background.
D. Salary to be paid.

36. The setting of sales target to be achieved within one year is

A. medium term planning.
B. operational planning.
C. strategic planning.
D. tactical planning.

37. The document that serves as proof of ownership which enables an importer to claim goods at the port is

A. a bill of lading.
B. a consular invoice.
C. a freight note.
D. an indent.

38. The issue that prevents small businesses from accessing loans for expansion is

A. lack of collateral.
B. inability to employ skilled labour.
C. inability to pay tax.
D. shorter life-span of the business.

39. One way of measuring the productivity of a firm is by using the

A. amount of capital invested.
B. efficiency of its labour force.
C. qualification of its labour force.
D. type of product.

40. Which of the following characteristics is advantageous for developing economies?

A. High export.
B. High import.
C. Low per capita income.
D. Low standard of living.

41. Which of the following factors is a benefit to firms as a result of globalization?

A. Availability of cheap raw materials.
B. Easy access to loans without collateral.
C. Non payment of excise duties.
D. No promotional charges.

42. Which communication channel is used by a sales clerk when he gives monthly report on sales to his supervisor?

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

43. Absolute cost advantage in international trade is basically intended to

A. reduce specialization.
B. reduce dependency on import.
C. remove trade barriers.
D. increase world output.

44. A firm that allows its branch managers to make decisions that suit their local conditions is practicing

A. centralization.
B. decentralization.
C. delegation.
D. departmentation.

45. When AB Enterprise gives Christmas package to its employees for achieving a year's target, this constitutes

A. benefit.
B. bonus.
C. cash discount.
D. trade discount.

46. Which of the following decisions should be taken by the management of a company to solve the problem of declining sales during a particular period of the year?

A. Non-programmed decision.
B. Programmed decision.
C. Strategic decision.
D. Tactical decision.

47. A printer is an example of

A. a storage device.
B. a processing device.
C. an input device.
D. an output device.

48. An organization that goes for a loan to pay the deposit for the cost of a vehicle with the balance to be paid by instalment, acquires the vehicle by

A. debenture.
B. hire purchase agreement.
C. mortgage.
D. sale and lease back.

49. Which of the following objectives influences individuals to start their own businesses?

A. Political positions.
B. Profit motive.
C. Production of inferior goods.
D. Tax avoidance.

50. The type of preference shares which are issued and can be purchased by a company at a later date are

A. participating preference shares.
B. irredeemable preference shares.
C. non-cumulative preference shares.
D. redeemable preference shares.

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