MULTIPLE CHOICE QUESTIONS

1. What do the letters EOQ stand for?
   A. Estimated Order Quantity
   B. Economic Order Quantity
   C. Estimated Order Quality
   D. Economic Order Quality

2. The EOQ of an item is calculated using the annual demand together with the _________ cost and the _________ cost.
   A. Direct and Variable costs
   B. Indirect and Holding costs
   C. Direct and Ordering costs
   D. Ordering and Holding costs

3. In a materials processing operation, which of the following process type is associated with the highest volume and lowest variety?
   A. Job shop
   B. Batch process
   C. Mass process
   D. Continuous process

4. In the product life cycle what is the correct order of the main phases?
   A. Maturity, Growth, Saturation, Decline
   B. Growth, Maturity, Saturation, Decline
   C. Growth, Saturation, Growth, Decline
   D. Maturity, Saturation, Growth, Decline

5. Which management approach is most likely where the home country dominates procedures and practices?
   A. Geocentric
   B. Polycentric
   C. Multinational
   D. Ethnocentric

6. Which management approach is most likely where local expertise from the host country is used to create procedures and practices for the running of the organization locally?
   A. Geocentric
   B. Polycentric
   C. Multinational
   D. Ethnocentric
7. Moving some of an organization's operations from a high-cost economy to a low-cost economy is called ________________
   A. Globalizing
   B. Outsourcing
   C. Offshoring
   D. Franchising

8. Licensing out the manufacture of a product can be referred to as ________________
   A. Franchising
   B. Outsourcing
   C. Licensing
   D. Rationalization

9. Which of the following describes class ‘C’ items in the ABC approach to stock categorisation?
   A. High value, high risk
   B. High value, low risk
   C. Low value, high risk
   D. Low value, low risk

10. Operations Management is a ________________ process.
    A. Translation
    B. Transformation
    C. Transaction
    D. Transition

11. There are five basic organizational forms: simple, functional, divisional, conglomerate and __________
    A. Hybrid
    B. Complex
    C. Corporate
    D. Hierarchical

12. Inventory is ________________ EXCEPT
    A. A raw material item used in an operation.
    B. An item stored for later use in an operation.
    C. An item in transit for later use in an operation.
    D. An item consumed in production process

13. A firm that focuses on the minimum utilization of resources for the attainment of its goals is a __________ driven firm
    A. Profit
    B. Effectiveness
    C. Efficiency
    D. Strategy
14. A competitive environment can be characterized by____________________
   A. Competitive economic development
   B. Hyper-competitiveness
   C. Economic growth
   D. Economic development

15. The output/input ratio usually denotes the calculation of __________
   A. Effectiveness
   B. Efficiency
   C. Regulation
   D. Competitiveness

16. The ability of a firm to meet and exceed the need of customers’ is captured with concept of__________
   A. Capital
   B. Value
   C. Competitiveness
   D. Technology

17. The difference between the cost price of finished products and the costs of the inputs for producing one unit is called__________________
   A. Resource maximization
   B. Value creation
   C. Value added
   D. Competitive optimality

18. One of the objectives of a firm is to_______________
   A. Maximize profit
   B. Minimize subsidy
   C. Increase total employment
   D. Eliminate environmental waste

19. When the government forgoes investment in education in favour of agriculture, this decision is described with the concept of______________
   A. Pareto optimality
   B. Economic rent
   C. Opportunity cost
   D. Resource mobilization

20. A government provision to make up for the cost of importing specific goods by a group of businessmen is known as_________________
    A. Efficiency
    B. Market stabilization
    C. Subsidy
    D. Austerity
21. The question of how scarce resources are to be allocated is a ______ problem
   A. Firm’s
   B. Economic
   C. Customers’
   D. Social

22. An Internet Service Provider (ISP) employs 10 staff and services a customer base of 2 million subscribers. It is a _____ business
   A. Small
   B. Large
   C. Semi-large
   D. Moderate

23. Which of the following is NOT an indicator of the size of a business?
   A. Economic recession
   B. Market size
   C. Sales turnover
   D. Business strategy

24. Market capitalization is calculated as:
   A. Current share price X Capital employed
   B. Current share price X Sales turnover
   C. Current share price X Net Profit
   D. Current share price X Total of issued shares

25. Shareholders focus more on the ______ of a firm
   A. Operations
   B. Profitability
   C. Employee welfare
   D. Managerial welfare

26. Nigeria aims to be among the largest economies in the world by ________
   A. 2050
   B. 2040
   C. 2030
   D. 2020

27. The work on managerial role could be attributable to______________
   A. Henri Fayol
   B. F.W. Taylor
   C. Adam Smith
   D. Henry Mintzberg
28. One of these leadership styles will use feedback as an opportunity for coaching employees
   A. Demographic
   B. Laissez-faire
   C. Mentorship
   D. Managerial trait

29. An internal state which makes certain outcomes appear attractive is __________
   A. Motivation
   B. Drive
   C. Want
   D. Need

30. Information retrieved from archive may be referred to as
   A. Data
   B. Primary data
   C. Secondary data
   D. Tertiary data

31. Promotion may be referred to as __________
   A. Communication
   B. Marketing communication
   C. Information-process
   D. Transmission

32. Which of the following is true about promotional mix?
   A. Promotional mix is the sole responsibility of the marketing department
   B. Promotional mix decision may not rest solely on the marketing department
   C. Promotional mix decision may not consider sales promotion
   D. Promotion mix decision may not consider advertising

33. The managerial function responsible for attracting, procuring, placement, retaining and maintaining the right number and calibre of employees in an organization is __________
   A. Human capital development
   B. Human selection
   C. Manpower planning
   D. Personal management

34. The procedure for determining duties and skill requirements of a job and the person to hire is __________
   A. Performance appraisal
   B. Job description
   C. Manpower planning
   D. Job analysis
35. The process for creating a large pool of applicants that are willing to work for the organisation is_______________
   A. Aptitude test
   B. Selection
   C. Job interview
   D. Recruitment

36. The function of the personnel manager include the following EXCEPT
   A. Writing copy for advertisement
   B. Keeping personnel record
   C. Operating wages system
   D. Organising training courses

37. Performance appraisal purposes include the following EXCEPT:
   A. To determine who should be promoted or receive salary increase
   B. To expedite long range management planning
   C. To identify employees who need specific training
   D. To determine jobs to be subcontract

38. When the company’s assets do not match with its liabilities it means that the company is ______________
   A. Illiquid
   B. Insolvent
   C. Unprofitable
   D. Solvent

39. The details of items recognized as non-current liabilities include all of the following EXCEPT
   A. Debenture
   B. Creditors
   C. Mortgage loans
   D. Deferred tax liabilities

40. The authorized share capital of a limited liability company is the number of shares _____________
   A. Offered for sale
   B. Approved in the memorandum of association
   C. Subscribed to
   D. Called up

41. The margin of safety represents_______________
   A. The loss area of the firm
   B. The number of units by which sales can drop before company makes loss
   C. Profit making zone of the company
   D. Profit after tax
42. The information provided in the cash flow statement will help the company in the following ways **EXCEPT**
   A. Assess the impact of firms current transactions on its financial position.
   B. Assess the ability of the firm to fund ongoing projects.
   C. Assess the ability of the firm to meet up its debt obligations, pay dividend as required.
   D. To measure the ability of the firm.

43. Cash and cash equivalent section of the cash flow statement contains all these **EXCEPT**
   A. Opening and closing balances of cash and near cash items only.
   B. Opening and closing balances of current and non-current assets.
   C. Opening and closing balances of cash and bank balances only.
   D. The total of all companies operating activities during the year.

44. These are the differences between profit and cashflow statements **EXCEPT**
   A. Cashflow is more reliable and verifiable than the profit and loss account.
   B. Cash receipts and cash payment are recorded in the cash flow while profit statement records income and expenses over a period.
   C. The basis of preparation of profit statement is accrual basis while cashflow statement is prepared on cash basis.
   D. Profit and loss account is used to disclose investing, financing and operating activities of the firm.

45. Accounting information of a firm is prepared based on these concept **EXCEPT**
   A. Entity concept.
   B. Going concern concept.
   C. Accrual basic.
   D. Subjectivity concept.

46. A cost that is same per unit of output but increases with the total output is referred to as
   **EXCEPT**
   A. Fixed cost.
   B. Variable cost.
   C. Marginal Cost.
   D. Maximum Cost.

47. Incremental cost consist of all **EXCEPT**
   A. All variable costs incurred because of existence of the particular job or project.
   B. Additional fixed cost incurred solely for the sake of a job.
   C. Additional cost that a firm must incur in order to get additional job done.
   D. All overhead costs on the job.
You are required to use the information below to answer questions 48-50 that follow.

<table>
<thead>
<tr>
<th></th>
<th>N</th>
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<tbody>
<tr>
<td>Sales</td>
<td>50,000</td>
</tr>
<tr>
<td>Expenses:</td>
<td></td>
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<tr>
<td>Variables costs</td>
<td>30,000</td>
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<tr>
<td>Fixed costs</td>
<td>15,000</td>
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<tr>
<td></td>
<td>45,000</td>
</tr>
<tr>
<td>Net profit</td>
<td>N5,000</td>
</tr>
</tbody>
</table>

48. What is the Break-even point in value of this transaction?
   A. N1,500
   B. N37,500
   C. N12,500
   D. N20,000

49. What is the margin of safety?
   A. N12,500
   B. N37,500
   C. N15,000
   D. N30,000

50. The require sales to achieve a profit of N8,000 is __________
    A. N57,500
    B. N23,000
    C. N8,000
    D. N5,000
JOINT UNIVERSITIES PRELIMINARY EXAMINATIONS BOARD
2015 EXAMINATIONS

BUSINESS STUDIES ESSAY QUESTIONS

1. a. What personality trait associated with entrepreneurs? BUS 001
   (5 marks)
   
b. Explain five (5) roles of entrepreneurship in the Nigerian economy? (10 marks)

2. Write short note on:
   BUS 002
   a. Net profit margin
   b. Break even analysis
   c. Private Limited Company
   (5 marks each) = 15 marks

3. The following are the financial statements of Determination Ltd. for the year ended
   BUS 002
   31st December, 2012

   **Income Statement for the Year ended 31st December, 2012**
   
<table>
<thead>
<tr>
<th>N’000</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Sales (Revenue)</td>
<td>99,500</td>
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<tr>
<td>Cost of Sales:</td>
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<tr>
<td>Opening Inventory</td>
<td>15,000</td>
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<tr>
<td>Materials</td>
<td>25,500</td>
</tr>
<tr>
<td>Labour</td>
<td>16,000</td>
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<tr>
<td>Factory Overheads</td>
<td>20,500</td>
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<tr>
<td>Depreciation</td>
<td>4,500</td>
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<tr>
<td>Closing Inventory</td>
<td>(15,500)</td>
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<tr>
<td>Gross Profit</td>
<td>33,500</td>
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<tr>
<td>Expenses:</td>
<td></td>
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<tr>
<td>Selling and Administration</td>
<td>12,400</td>
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<tr>
<td>Finance Cost (Interest)</td>
<td>3,500</td>
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<tr>
<td>Profit before Taxation</td>
<td>15,900</td>
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<tr>
<td>Taxation</td>
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<tr>
<td>Profit after Tax</td>
<td>11,100</td>
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</tbody>
</table>

   **Statement of Financial Position as at 31st December, 2012**

<table>
<thead>
<tr>
<th>N’000</th>
<th>N’000</th>
<th>N’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Current assets:</td>
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<tr>
<td>Property, Plant and Equipment</td>
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<tr>
<td>Current Assets:</td>
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<td></td>
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<tr>
<td>Inventory</td>
<td>15,500</td>
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<tr>
<td>Trade Receivables</td>
<td>17,000</td>
<td></td>
</tr>
<tr>
<td>-------------------</td>
<td>--------</td>
<td></td>
</tr>
<tr>
<td>Bank</td>
<td>5,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>37,500</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>114,000</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Equity:</strong></td>
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<td></td>
</tr>
<tr>
<td>Ordinary Share Capital</td>
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<td></td>
</tr>
<tr>
<td>Retained Profit</td>
<td>10,500</td>
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</tr>
<tr>
<td></td>
<td><strong>55,500</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Non-Current Liabilities:</strong></td>
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<td></td>
</tr>
<tr>
<td>Loan</td>
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</tr>
<tr>
<td><strong>Current Liabilities:</strong></td>
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<td></td>
</tr>
<tr>
<td>Trade Payables</td>
<td>23,500</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>13,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>36,500</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>58,500</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td><strong>114,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

You are required to calculate the following: (Each question’s carries $1\frac{1}{2}$ marks = 15 marks)

i. Gross Profit percentage.
ii. Net Profit as percentage of Sales.
iii. Current Ratio.
iv. Acid Test or Quick Asset Ratio.
v. Trade Receivables collection period in weeks.
vi. Inventory Turnover.
vii. Share holders’ Equity Ratio.
viii. Return on Equity.
ix. Return on Capital Employed.
x. Gearing Ratio.

4. a. Explain five (5) advantages of setting up a partnership business compared to a one-man business

   b. Identify and explain five (5) reasons that may lead to the dissolution of partnership

5. a. List the five components of emotional intelligence

   b. Distinguish between Transactional and Transformational leadership styles

6. a. Distinguish between supply curve and supply schedule

   b. Write explanatory notes on the following concepts:
      (i.) Joint supply (ii) Competitive Supply (iii)Composite Supply

7. a. What is SWOT Analysis?

   b. Discuss five (5) components (each) of the internal and external environments of SWOT analysis
8. In the financial year ending 31/1/2009, Yaros Toy Ltd recorded the following transactions and costs:

- Items sold: 3,000,000 at an average price of ₦2.00
- Average material cost per toy: ₦0.35
- Average labour cost per toy: ₦0.50
- Overhead costs: ₦750,000
- Corporation tax rate: 20%
- Dividends paid: ₦500,000

Draw up an income statement for the year ending 31/1/2009, from the information provided.