



**JOINT UNIVERSITIES PRELIMINARY EXAMINATIONS BOARD  
JUNE 2019 EXAMINATIONS**

JUPEB/004

**BUSINESS STUDIES: MSS - J132**

**Time Allowed: 3 hours**

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**SECTION A: MULTIPLE CHOICE QUESTIONS**

**Answer all questions from this section.**

Use the OMR answer sheet to answer the questions, follow the instructions on the OMR sheet

**SECTION B: ESSAY QUESTIONS**

**Answer FOUR questions ONLY in this section**

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**Turn Over**

**SECTION A: MULTIPLE CHOICE QUESTIONS.**

**Answer ALL Questions**

1. When businesses operate across borders, it is classified as \_\_\_\_\_
  - A. formal companies
  - B. local companies
  - C. multinational companies
  - D. national companies
2. The allocation of cost of a tangible asset over its useful life is known as \_\_\_\_\_
  - A. cost allocation
  - B. depreciation
  - C. amortization
  - D. asset cost apportionment
3. Which of the following is NOT a stakeholder of a business enterprise?
  - A. Owner
  - B. Customers and Consumers
  - C. Custom officers
  - D. Employee and agents
4. The process by which the government takes over the ownership and control of an existing private business is \_\_\_\_\_
  - A. Privatization
  - B. Nationalization
  - C. Indigenization
  - D. Commercialization
5. An ordinary partner has \_\_\_\_\_
  - A. unlimited liability
  - B. limited liability
  - C. sleeping liability
  - D. dormant liability
6. According to Peter Drucker (1954), the essential purpose of business is \_\_\_\_\_
  - A. creation of customer
  - B. profit-making
  - C. resource utilization
  - D. provision of goods and services
7. Communication is efficient when \_\_\_\_\_
  - A. feedback is received
  - B. there are no physical barriers
  - C. the least cost means is used
  - D. the receiver understands the message

8. Owners of unincorporated businesses have \_\_\_\_\_
- A. limited liability
  - B. continuity
  - C. unlimited liability
  - D. legal personality
9. Environmental constraints to business includes the following EXCEPT
- A. social and cultural environment
  - B. legal and political environment
  - C. technological environment
  - D. internal environment
10. The document that extends invitation to subscribe for shares publicly is \_\_\_\_\_
- A. articles of association
  - B. prospectus
  - C. memorandum of association
  - D. partnership deed
11. Consumers services can be regarded as \_\_\_\_\_
- A. physical products
  - B. non-durable goods
  - C. non-tangible goods
  - D. durable goods
12. To become a shareholder in a company, an individual must \_\_\_\_\_
- A. give some money to the business
  - B. buy stocks in the company
  - C. be a manager in the company
  - D. grant loans to the company
13. The service provided by a barber is called \_\_\_\_\_
- A. business service
  - B. direct service
  - C. indirect service
  - D. professional service
14. \_\_\_\_\_ structure encourages diversification of products
- A. Multiples
  - B. Matrix
  - C. Product based
  - D. Geographical
15. \_\_\_\_\_ is a major disadvantage of sole proprietorship.
- A. Easy capital
  - B. Lean structure

- C. Lack of continuity
  - D. Lack of government patronage
16. Financial instruments used for raising long term finance by owners include \_\_\_\_\_
- A. Bond stock
  - B. Ten years interest loan
  - C. Retained profit
  - D. Debenture stock.
17. Finance for working capital requirements is sourced by \_\_\_\_\_ credit.
- A. Mortgage
  - B. Medium term
  - C. Short term
  - D. Long term.
18. Liquidity ratios include \_\_\_\_\_
- A. Net profit ratio
  - B. Working capital ratio
  - C. Net gross profit ratio
  - D. Quick ratio.
19. A cost layering method for managing inventory is \_\_\_\_\_
- A. PEST
  - B. FIFO
  - C. PERT
  - D. JIT
20. The most liquid asset is \_\_\_\_\_
- A. money
  - B. land
  - C. a government bond
  - D. a share of stock
21. Which of the following statements is CORRECT?
- A. Working capital is the lifeblood of a business
  - B. A business liquidates when it cannot meet its short-term debts
  - C. Insolvency is when a firm ceases trading
  - D. Cash flow forecasts can solve cash flow problems.
22. \_\_\_\_\_ concerns a business's reliance on long-term debt finance.
- A. Financial efficiency ratio
  - B. Profitability ratio
  - C. Liquidity ratio
  - D. Gearing ratio.

23. The market where money is borrowed for a short time is called \_\_\_\_\_
- A. Capital market
  - B. Stock exchange market
  - C. Money market
  - D. Security market
24. Intermediate capital is also known as \_\_\_\_\_
- A. Long term capital
  - B. Short term capital
  - C. Medium term capital
  - D. Start-up capital
25. All of the following are sources of fund in a privately owned company EXCEPT
- A. Retained profit
  - B. Contribution among shareholders
  - C. Issuing of share
  - D. Soft loans from banks
26. Creditors use accounting information for the purpose of \_\_\_\_\_
- A. Assessing a company's liquidity
  - B. Investing in a company
  - C. Planning sales to a company
  - D. Controlling a company's affairs
27. The allocation of cost of a tangible asset over its useful life is known as \_\_\_\_\_
- A. cost allocation
  - B. depreciation
  - C. amortization
  - D. asset cost apportionment
28. Working Capital is needed in a business for \_\_\_\_\_
- A. business expansion.
  - B. payment for research and production.
  - C. debt management purpose.
  - D. increase in plant capacity.
29. The purpose of job enrichment is to \_\_\_\_\_
- A. to combat boredom
  - B. improve job satisfaction
  - C. improve job effectiveness
  - D. improve job efficiency
30. Functional managers are responsible \_\_\_\_\_
- A. for a single area of activity
  - B. to the upper level of management and staff

- C. for organizational sub-units
  - D. for obtaining copyrights and patents
31. The most important resource in business is \_\_\_\_\_
- A. management
  - B. people
  - C. money
  - D. materials
32. The assumption about the nature of human beings in an organization is traced to \_\_\_\_\_
- A. McGregor theory x and y
  - B. Herzberg's two factor theory
  - C. Vroom's expectancy theory
  - D. Maslow's need hierarchy
33. All of the following are functions of marketing EXCEPT
- A. Designing of product
  - B. Manufacturing of products
  - C. Branding of product
  - D. Advertising of product
34. Which of the following motivation is the most basic need in Maslow's hierarchy?
- A. safety
  - B. belonging
  - C. physiological
  - D. esteem
35. Emotional intelligence can BEST be described as \_\_\_\_\_
- A. how people view and understand others
  - B. how people view and understand the world
  - C. how people view and understand themselves
  - D. how people view and understand themselves and others
36. The two-factor theory of motivation was originated by \_\_\_\_\_
- A. Elton Mayo
  - B. Frederick Herzberg
  - C. Karl Marx
  - D. Adams Smith
37. One of the following is a component of marketing mix.
- A. Product, price, promotion and personal
  - B. Product, price, place and packaging
  - C. Product, production, price and packaging
  - D. Product, price, promotion and place.

- 38 \_\_\_\_\_ is a management function that ensure that effort is coordinated towards tasks accomplishment
- A. Organizing
  - B. Planning
  - C. Authority
  - D. Structure
39. The major purpose of establishing control in the workplace is to \_\_\_\_\_
- A. Identify and correct deviation
  - B. Planning purposes only
  - C. Resource sourcing and allocation
  - D. Use of authority and control
40. Competing on the basis of price means that \_\_\_\_\_
- A. the marketer's price must be higher than competitor's price
  - B. the marketer's price must be lower than competitor's price
  - C. at any given price, the marketer must seek to provide superior value
  - D. the marketer's price must be equal to competitor's price
41. \_\_\_\_\_ provides foundation for policies and procedures in an organization.
- A. Operations planning
  - B. Tactical planning
  - C. Strategic planning
  - D. Brainstorming
42. \_\_\_\_\_ defines the role that an organization plays in the society.
- A. Policies
  - B. Vision statement
  - C. Mission statement
  - D. Statement of objectives
43. The extent to which a product or service maybe customized is called \_\_\_\_\_
- A. variability
  - B. validity
  - C. variety
  - D. variation
44. All of the following are methods of measuring efficiency EXCEPT
- A. Productivity
  - B. price
  - C. product quality
  - D. Down time
45. One of the purposes of inventory management is to:
- A. meet variation in demand
  - B. allow stockout

- C. reject quantity discount
- D. fight corruption

46. The models of relationship between businesses and environment are

- A. Output- input and internalization models
- B. Output- input and comparative models
- C. Interactive and internalization models
- D. Output- input and interactive models

47. The difference between vision and mission statement of an organization is \_\_\_\_\_

- A. vision speaks about the business environment but mission does not
- B. mission involves everything about the organization vision involves a little
- C. vision focuses on the future while mission is what an organization is doing now
- D. mission is more important than vision

48. Strategic management process ends with \_\_\_\_\_

- A. strategic analysis
- B. control and evaluation
- C. mission and objectives
- D. strategic implementation

49. The PEST analysis is concerned with \_\_\_\_\_

- A. a firm's opportunities
- B. a firm's competitive advantage
- C. a firm's external environment
- D. a firm's internal environment

50. Getting most output from least amount of inputs to minimize cost is \_\_\_\_\_

- A. survival
- B. efficiency
- C. productivity
- D. profitability



## **SECTION B: BUSINESS STUDIES ESSAY QUESTIONS**

**Answer FOUR Questions in all; One Question from each course.**

### **BUS 001 – BUSINESS AND ITS ENVIRONMENT**

1. (a) What is business environment? (5marks)  
(b) List and explain any FOUR environmental factors that a manager should consider in running a business? (10marks)
2. (a) Define franchise. (3marks)  
(b) Explain any THREE advantages and disadvantages of franchise. (12 marks)

### **BUS 002 – FINANCE AND ACCOUNT**

3. (a) Define venture capital (3marks)  
(b) Discuss FOUR importance of short term- funds to a business operator. (12marks)
4. Write short notes on the following terms:  
(a) Start-up capital (3 marks)  
(b) Capital for expansion (3 marks)  
(c) Working capital (3 marks)  
(d) Capital expenditure (3 marks)  
(e) Revenue expenditure (3 marks)

### **BUS 003 – MANAGEMENT I**

5. (a) Define Product. as one of the components of marketing mix (3Marks)  
(b) Write short notes on the following:  
i. Brand name  
ii. Packaging  
iii. Services  
iv. Warranty. (12Marks)
6. (a) Distinguish between Management and Leadership (5Marks)  
(b) Explain any FIVE sources of power (10Marks)

### **BUS 004 – MANAGEMENT II**

7. (a) What is inventory management (3marks)  
(b) Discuss any FOUR reason for keeping inventory (12 marks)
8. (a) What is mass customization? (3marks)  
(b) Define strategic management and explain FOUR needs of strategic management. (12marks)