



JOINT UNIVERSITIES PRELIMINARY EXAMINATIONS BOARD
JUNE 2020 EXAMINATIONS

JUPEB/004

BUSINESS STUDIES MSS– J132

Time Allowed: 3 Hours

SECTION A: MULTIPLE CHOICE QUESTIONS

Answer all questions in this section.

Use the OMR answer sheet provided to answer the MCQ. Follow the instructions on the OMR sheet.

SECTION B: ESSAY QUESTIONS

Answer FOUR questions; ONE question from each course.

Turn Over

SECTION A: MULTIPLE CHOICE QUESTIONS

Answer All Questions.

1. An advantage of the functional organizational structure is that it
 - A. emphasizes routine tasks.
 - B. allows managers develop expertise in solving problems unique to one location.
 - C. promotes skill specialization and in-depth development of expertise.
 - D. provides responsibilities at lower levels.
2. Types of share include
 - A. preferred shares.
 - B. proffered shares.
 - C. preference shares.
 - D. proference shares.
3. A partner whose liability is limited to the amount of capital invested and does not play any active role in the running of the business is a
 - A. Nominal partner.
 - B. Cumulative partner.
 - C. Limited partner.
 - D. non-cumulative partner.
4. A partner who allows his name to be used in the business and does not necessarily contribute any capital nor have an active role in the business is
 - A. a marginal partner.
 - B. a nominal partner.
 - C. an ordinal partner.
 - D. an orthogonal partner.
5. One of the following is a feature of a private company.
 - A. There is only one owner.
 - B. Shareholders can publicly invite other investors to buy shares.
 - C. Shareholders cannot easily transfer ownership of shares to external investors.
 - D. The business secrets remain private.

6. A restaurant is an example of
 - A. Public sector business.
 - B. Primary sector business.
 - C. Secondary sector business.
 - D. Tertiary sector business.

7. Which of the following is not a characteristic of a company?
 - A. Perpetual life.
 - B. Secrecy.
 - C. Capital outlay.
 - D. Transferability of ownership.

8. One of the disadvantages of privatization is
 - A. it encourages the use of the best managers which may be expensive.
 - B. it may encourage monopolies.
 - C. it may cause national disasters.
 - D. it may open the door to inefficiency.

9. Which environment is within the control of the business.
 - A. Internal
 - B. External
 - C. Cultural
 - D. Macro

10. Internal growth by businesses is also known as
 - A. horizontal growth.
 - B. integration.
 - C. organic growth.
 - D. vertical growth.

11. All of the following are contained in the "Deed of Partnership" EXCEPT
- A. qualification status of partners.
 - B. interest on capital.
 - C. losses sharing ratio.
 - D. dissolution arrangement.
12. Turnover/revenue of a business can be calculated as
- A. cost of production multiplied by price.
 - B. price multiplied by cost of materials.
 - C. price multiplied by quantity sold.
 - D. quantity sold divided by price.
13. One similarity between vertical integration and horizontal integration is that they are
- A. twin strategies.
 - B. internal growth methods.
 - C. business standards.
 - D. business mergers.
14. Changing from partnership to limited liability company can have disadvantages as can be observed in
- A. decrease in privacy.
 - B. lack of continuity.
 - C. bad decisions of partners.
 - D. partners unlimited liability.
15. A visual or written description of how a firm is organized is known as
- A. Organizational map.
 - B. Organizational manual.
 - C. Organizational chart.
 - D. Organizational framework.

16. In a limited company, which of the following appears in the appropriation account?
- A. Transfers.
 - B. Manager's remuneration.
 - C. Proposed dividend.
 - D. Loan interest.
17. When a company's accounts are presented in a favourable manner is referred to as
- A. Marketing
 - B. Public relations
 - C. Window dressing
 - D. Branding
18. Most budget planning embraces a period of
- A. less than a year.
 - B. more than a year.
 - C. a year
 - D. all of the above.
19. Which of the following is the formula for calculating direct labour costs?
- A. Unit cost \times materials cost.
 - B. Labour cost/unit \times total units of labour required.
 - C. Unit cost \times labour costs/hr.
 - D. Labour cost/hr. \times total units of labour required.
20. The process of comparing and analyzing actual budget performance with the original targets is
- A. budget analysis.
 - B. performance analysis.
 - C. variance analysis.
 - D. control and monitoring.

21. Using the information below, what is the net current asset for 2011?

	Values in ₦ '000s	'000s
	2010	2011
Raw materials	16,000	20,000
Work in Progress	28,000	30,000
Finished goods	52,000	70,000
Trade debtors	74,400	46,200
Prepaid expenses	6,500	2,400
Cash & cash equivalent	12,000	29,000
Short term loans & overdraft	6,000	6,000
Trade creditors	72,000	50,000
Accrued expenses	6,000	3,600

- A. ₦197,600,000
B. ₦138,000,000
C. ₦197,600
D. ₦138,000
22. The examination of relationship between financial data that aid firm evaluation is
- A. Financial analysis
B. Financial ratio
C. Ratio analysis
D. Horizontal analysis
23. Which financial institution serves the economically active poor, micro enterprises and SMEs?
- A. Merchant banks
B. Development banks
C. Microfinance banks
D. Non-interest finance institutions

24. When a business expands too rapidly with little long term capital at its disposal is called
- A. Overtrading
 - B. Undertrading
 - C. Overcapitalisation
 - D. Undercapitalisation
25. A decision to source materials from cheaper suppliers should directly
- A. improve the gross profit.
 - B. improve dividend pay outs.
 - C. improve the net profit.
 - D. reduce overhead expenses.
26. The difference between current assets and current liabilities is known as
- A. capital rationing
 - B. capital ratio
 - C. working capital
 - D. capital expansion
27. Using the following information below, calculate the Break-even point in units.
- Sales price = N30/unit
Variable cost = N10/unit
Fixed cost = N8000
- A. 350
 - B. 400
 - C. 450
 - D. 500
28. A firm that has limited resources should find a
- A. Revenue budget very useful.
 - B. Flexible budget very useful.
 - C. zero based budget very useful.
 - D. Static budget very useful.
29. Who should have a common goal in order for a business to succeed?

- A. Leaders
 - B. Managers
 - C. A team
 - D. Human beings
30. A job-centred leader is largely
- A. transactional in approach.
 - B. transformational in approach.
 - C. participative in approach.
 - D. relational in approach.
31. The clear-cut lines of authority and responsibility is created through
- A. the planning function.
 - B. the leading function.
 - C. the organizing function.
 - D. the controlling function.
32. In which of the following orders is managerial functions typically performed?
- A. Organising, planning, leading, controlling.
 - B. Planning, leading, controlling, organising.
 - C. Planning, organising, leading, controlling.
 - D. Leading, planning, organising, controlling.
33. A person who is dynamic enough to modify his style as the situation demands is called
- A. an effective leader.
 - B. an efficient leader.
 - C. a dynamic leader.
 - D. a good leader.
34. Middle-level managers require ...
- A. design skills.
 - B. conceptual skills.
 - C. technical skills.
 - D. financial skills.

35. The school of thought that emphasizes the importance of social processes at work is called the
- A. contingency approach.
 - B. classical approach.
 - C. human relations approach.
 - D. systems approach.
36. The behavioural interaction and patterns of behaviour that occur in a group is
- A. group cohesion.
 - B. group norm.
 - C. group behaviour.
 - D. group dynamics.
37. The structured questionnaires given to potential customers often to gauge potential demand are called
- A. Market surveys.
 - B. Marketing audit.
 - C. Marketing intelligence.
 - D. Marketing research.
38. The process of grouping customers in heterogeneous markets into smaller more similar ones is
- A. market strategy.
 - B. market segmentation.
 - C. marketing group.
 - D. marketing concept.
39. A major similarity between Maslow's and McLelland's motivation theory is that
- A. they both focus on reward pattern.
 - B. they both centre on human needs satisfaction.
 - C. they both critique Taylor's theory of motivation.
 - D. they agree that money does not motivate workers.

40. Power derived from status or position in an organization is
- A. Reward
 - B. Referent
 - C. Expert
 - D. Legitimate
41. Another name for safety stock is
- A. buffer stock.
 - B. warehouse stock.
 - C. re-order level.
 - D. holding stock.
42. Leadership development, cultural intelligence, partnering with external contractors are examples of
- A. strengths.
 - B. opportunities.
 - C. weaknesses.
 - D. threats.
43. A good example of carrying cost is
- A. set up cost.
 - B. salaries/wages.
 - C. depreciation.
 - D. goodwill.
44. What is involved when evaluating the strengths and weaknesses of a company?
- A. Environmental analysis.
 - B. Internal analysis.
 - C. External analysis.
 - D. Strategic evaluation.
45. An analysis of the external environment enables a firm to identify
- A. strengths and opportunities.

- B. strengths and weaknesses.
 - C. weaknesses and Threats.
 - D. opportunities and threats.
46. Strategy can be defined as
- A. choice adopted to achieve objectives.
 - B. capital utilized for the project.
 - C. government requirement for sustaining the business.
 - D. objectives set for the year for the environment.
47. All of the following could be said to be additions to holding costs EXCEPT
- A. ordering cost.
 - B. pilferage.
 - C. obsolescence.
 - D. depreciation.
48. Calculate the EOQ using the information provided below:
- Annual consumption of material X = 5,000 units
 - Maximum usage of material X = 80 units per day
 - Lead time = 6 to 11 days
 - Ordering cost = ₦ 250 per order
 - Carrying cost = ₦ 2.5 per unit per annum
- A. 66 units.
 - B. 250 units.
 - C. 1,000 units.
 - D. 5,000 units.
49. Which of the following costs CANNOT be traced to production units in a manufacturing firm?
- A. Processing cost.
 - B. Foreman's salary.
 - C. Factory labour cost.

D. Depreciation of plant.

50. The monitoring of events both internal and external to the organization that affect strategy is
- A. Operational control.
 - B. Strategic control.
 - C. Strategic surveillance.
 - D. Environmental scanning.

SECTION B: ESSAY QUESTIONS

Answer FOUR Questions; ONE Question from each Course.

BUS 001: BUSINESS AND ITS ENVIRONMENT

1. (a) Following Nigeria's recent economic meltdown, mention any FOUR (4) roles that a business enterprise can play to help to keep Nigeria out of another recession. [8 Marks]
(b) Identify and explain any ONE (1) form of business ownership. [3 Marks]
(c) Mention any TWO (2) factors that can be used to classify a business according to size. [4 Marks]

2. (a) Describe Family Business? [2 Marks]
(b) Define 'Local Business' [3 Marks]
(c) Differentiate between External and Internal business growth. [10 Marks]

BUS 002: FINANCE AND ACCOUNTING

3. (a) Explain why it is important for a business to be able to identify and calculate its costs. [4marks]
(b) Define the following types of costs: direct cost, fixed cost, indirect cost and variable cost. [4marks]
(c) State four differences between primary and secondary market. [7marks]

4. (a) Outline three (3) effective means of debt collection. [7marks]
(b) Write short notes on debt financing and equity financing. [8marks]

BUS 003 : MANAGEMENT I

5. (a) Distinguish between intrinsic and extrinsic motivation. [6 marks]
(b) Write short illustrative notes on;
 - i. Need for Power
 - ii. Need for Achievement
 - iii. Need for Affiliation[9 marks]

6. (a) What is a brand? (2marks) [9 marks]
(b) Explain TWO (2) characteristics of a good brand? [3marks]
(c) Differentiate between the terms 'Marketing' and 'Sales'. [10marks]

BUS 004 : MANAGEMENT II

7. (a) Define inventory and state any three (3) reasons for holding inventory. [6 Marks]
(b) Explain the following terms in inventory management with appropriate examples:
i. Carrying/holding costs [3 Marks]
ii. Ordering costs [3 Marks]
iii. Shortage costs [3 Marks]
8. Write short notes on the following:
(a) Productivity
(b) Added Value
(c) Capital Intensity
(d) Level of Production
(e) Scale of Operation. [15 Marks]