Answer **all** *the questions.*

Each question is followed by **four** *options lettered* A *to* D. *Find the* **correct** *option for* **each** *question. Shade in* **pencil** *on your answer sheet the answer space which bears the same letter as the option you have chosen. Give only* **one** *answer to* **each** *question. An example is given below.*

The risk bearers in the operation of a limited liability company are the

A. board of directors.
B. debenture holders.
C. ordinary shareholders.
D. preference shareholders.

The correct answer is ordinary shareholders *which is lettered* C *and therefore answer space* C *would be shaded.*

⊏A⊐ ⊏B⊐ ⊏D⊐

Think carefully before you shade the answer spaces; erase completely any **answer(s)** *you wish to change.*

Do all rough work on this question paper.

Now answer the following questions.

1. The channel of distribution for the sale of tractors is

A. manufacturer → agent → consumer.
B. manufacturer → wholesaler → retailer.
C. wholesaler → retailer → consumer.
D. wholesaler → agent → consumer.

2. A stock exchange speculator who buys shares in anticipation that prices are about to rise is a

A. bear.
B. bull.
C. broker.
D. stag.

3. The process of choosing among alternatives is referred to as

A. controlling.
B. decision-making.
C. planning.
D. problem solving.

4. Which of the following methods is used to correct adverse balance of payment?

A. Increase export
B. Increase taxes
C. Reduce consumption
D. Reduce export

5. Debentures is a source of capital to a

A. co-operative society.
B. partnership.
C. public limited company.
D. sole proprietorship.

6. One of the factors that contributes to inflation is
   A. decrease in import.
   B. decrease in aggregate demand.
   C. increase in export.
   D. increase in aggregate demand.

7. In Maslow's Hierarchy of needs, the level where individual has a sense of belongingness and affection is
   A. esteem.
   B. physiological.
   C. security.
   D. social.

8. An insurance policy which covers an event that is sure to occur in future is
   A. fidelity.
   B. fire.
   C. life.
   D. marine.

9. The stage of the product life cycle at which XYZ Limited experiences low sales volume and replaces its existing products is
   A. decline.
   B. growth.
   C. introduction.
   D. maturity.

10. Fishing, farming and mining are forms of
   A. construction production.
   B. extractive production.
   C. service production.
   D. tertiary production.

11. The individuals responsible for directing the affairs of organizations are
   A. employers.
   B. employees.
   C. managers.
   D. unions.

12. A bank which is set up to provide credit facilities to improve certain sectors of the economy is referred to as
   A. central bank.
   B. commercial bank.
   C. development bank.
   D. merchant bank.

13. Which of the following stages in the product life cycle indicates that sales of a product is at its peak?
   A. Decline
   B. Growth
   C. Introduction
   D. Maturity

14. A tax that takes a higher percentage of earnings from lower-income earners than those with higher-income is a
   A. direct tax.
   B. progressive tax.
   C. proportional tax.
   D regressive tax

15. One condition for the success of small businesses is to
    A. employ large number of staff.
    B. control its cash flow.
    C. redirect funds into private ventures.
    D. open many retail outlets.

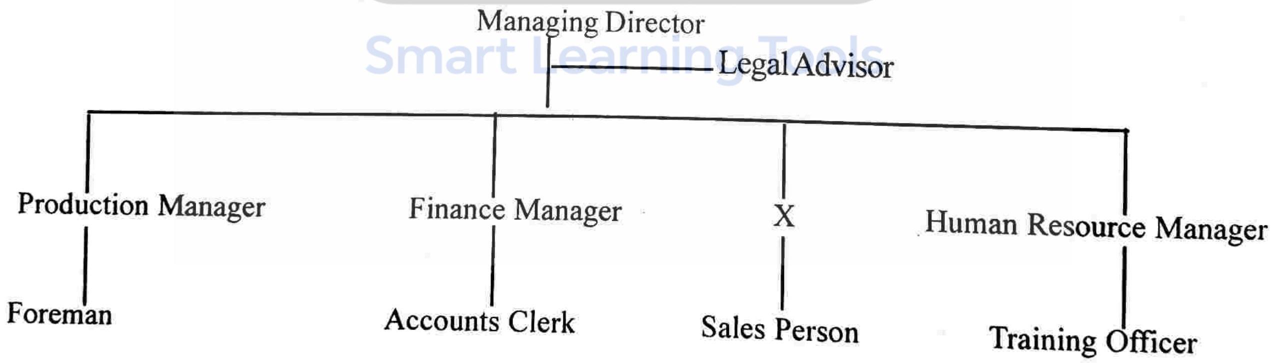
16. The retaining of power and authority in the hands of top management is
    A. centralization.
    B. concentration.
    C. decentralization.
    D. devolution.

17. The reason for international trade is the
    A. balance of payment problems.
    B. increase in the number of working population.
    C. inability to produce all commodities in a country.
    D. poor performance of the economy.

18. A short-term source of finance to an entrepreneur is
    A. debentures.
    B. retained earnings.
    C. shares.
    D. trade credit.

19. Which of the following conditions distinguishes the public limited company from the private limited company?
    A. Floating of shares to the general public.
    B. Members enjoy limited liability.
    C. Perpetual existence of the business.
    D. It is a separate legal entity.

Figure 1: ORGANOGRAM



Use figure **1** to answer questions **20** to **24**

20. Figure **1** depicts
    A. circular chart
    B. concentric chart.
    C. horizontal chart.
    D. vertical chart.

21. In **figure 1**, the relationship between the Legal Advisor and the Managing Director is
    A. functional.
    B. line.
    C. line and staff.
    D. staff.

22. Identify the manager who should occupy the position marked '**X**'
    A. general manager.
    B. ICT manager.
    C. marketing manager.
    D. operations manager.

23. The Foreman, Accounts Clerk, Sales Person and Training Officer are
    A. line staff.
    B. middle level managers.
    C. operational staff.
    D. top management.

24. Which of the following positions in **figure 1** makes strategic decisions?
    A. Legal Advisor.
    B. Managing Director.
    C. Production Manager.
    D. Training Officer.

25. Mr Amara was involved in an accident caused by Mr Fofanah. The insurance company paid Mr Amara the sum of Le 80, 000.00 as damages and sued Mr Fofanah to recover the amount. The principle of insurance involved is
    A. contribution.
    B. indemnity.
    C. premium.
    D. subrogation.

26. The measuring of performance against set standards and determining causes of deviations and putting in corrective measures is
    A. controlling.
    B. leading.
    C. planning.
    D. organizing.

27. Product differentiation is efficiently done by
    A. advertising.
    B. branding.
    C. packaging.
    D. pricing.

28. The business document which confers legal existence on a company is
    A. articles of association.
    B. certificate of incorporation.
    C. memorandum of association.
    D. prospectus.

29. Consumer co-operative societies are financed by
    A. creditors.
    B. debtors.
    C. government.
    D. members.

30. One of the functions of the wholesaler is the
    A. bearing of risks.
    B. development of product.
    C. opening of retail outlets.
    D. provision of warehouse.

31. The managerial role which relates to the ability to select, motivate and work with employees comes under
    A. figurehead role.
    B. leader role.
    C. liaison role.
    D. monitor role.

32. A cheque has
    A. two parties.
    B. three parties.
    C. four parties.
    D. five parties.

33. The estimates of revenue and expenditure of government for a fiscal year is referred to as
    A. balance of payment.
    B. budget statement.
    C. statement of expenditure.
    D. terms of trade.

34. The principle which states that authority should flow from top to bottom within an organization is
    A. chain of command.
    B. span of control.
    C. unity of command.
    D. unity of objective.

35. An organizational structure with limited number of managers and supervisors is a
    A. flat organizational structure.
    B. functional structure.
    C. line and staff structure.
    D. tall organizational structure.

36. The second step in the production, planning and control process is
    A. dispatching.
    B. loading.
    C. routing.
    D. scheduling.

37. A set of characteristics that describes programmed decisions is
   A. non-routine, uncertain and repetitive.
   B. non-routine, procedural and automated.
   C. repetitive, automated and uncertain.
   D. repetitive, routine and automated.

38. One of the steps in recruitment process is
   A. job analysis.
   B. performance appraisal.
   C. physical examination.
   D. training.

39. The financial institution with the mandate to supervise the banking system of a country is the
   A. central bank.
   B. commercial bank.
   C. development bank.
   D. merchant bank.

40. The type of training which involves the attachment of a newly employed staff to understudy an experienced staff is
   A. classroom training.
   B. correspondence training.
   C. on-the-job training.
   D. vestibule training.

41. A speculator in a stock exchange market who sells shares in anticipation that prices are about to fall is a
   A. bear.
   B. broker.
   C. bull.
   D. stag.

42. The insurance principle that restores an insured to his former position is
   A. indemnity.
   B. insurable interest.
   C. proximate cause.
   D. subrogation.

43. An advantage of globalization is that, it leads to the
   A. creation of employment in a country.
   B. imposition of restrictions on investment.
   C. increase in the prices of goods and services.
   D. introduction of trade barriers.

44. The relationship between the total volume of a country's export and total imports is its
   A. balance of trade.
   B. balance of payment.
   C. international trade.
   D. terms of trade.

45. An example of restriction in international trade is the
A. imposition of import and export quota.
B. reduction of trade profit.
C. use of consular invoice.
D. use of proforma invoice.

Use the following information to answer questions **46** and **47**.

In a contract between Mbemba and Ayo, Mbemba agrees to offer his house for sale to Ayo at the cost of Le 120, 000.00. Ayo after the third day, tells Mbemba that he will pay Le 110,000.00 instead, which Mbemba refused.

46. Ayo's proposal constitutes
A. a counter offer.
B. a cross offer.
C. a promise.
D. an offer.

47. Mbemba's action implies that, there was no
A. agreement.
B. capacity.
C. legality.
D. offer.

48. An agreement is said to be made when
A. an offeree gives consideration.
B. an offeree intends to give consideration.
C. the parties have contractual capacity.
D. there is a consensus.

49. Specialization will result to
A. high product demand.
B. low production level.
C. increase in cost.
D. standardisation of products.

50. A stock exchange is a
A. capital market.
B. foreign exchange market.
C. money market.
D. parallel market.

END OF PAPER