



STAMFORD COLLEGE
SCHOOL OF BUSINESS, MARKETING AND ACCOUNTING

DIPLOMA IN BUSINESS ADMINISTRATION
(SEMESTER 1)

DBA 101: INTRODUCTION TO BUSINESS

Date : 25 July 2007
Time : 9.30am - 12.30pm

Duration: 3 hours

Instructions to Candidates

This paper consists of Sections A, B and C. Candidates are required to answer all questions in Sections A and B, and any THREE questions in Section C.

Please ensure that this examination paper contains TWENTY FIVE multiple-choice questions in Section A, TEN true/false questions in Section B and FOUR questions in Section C on FIVE printed pages before you start the examination.

Books, papers and other written materials are not allowed to be brought into the examination hall. A candidate who violates the examination rules of Stamford College or commits a malpractice will be disqualified from the examination.

Write your Examination Index Number on each page of your answer booklet.

Note: Answer sheet is attached

Section A

This section has TWENTY-FIVE multiple-choice questions. Each question merits 2 marks.

Circle the most appropriate answer (A,B,C or D) in the answer sheet provided.

1. _____ is tainting or destroying of the natural environment.
 - A. Conservation
 - B. Inflation
 - C. Pollution
 - D. Ecology

2. _____ is reprocessing of reusable materials.
 - A. Recycling
 - B. Deflation
 - C. Social responsibility
 - D. Business ethics

3. Hotels, import firms, and travel agencies are examples of _____.
 - A. blue-collar jobs.
 - B. trade war.
 - C. Services.
 - D. white-collar jobs.

4. _____ is an all inclusive term describing people who are looking for work but are unable to find employment.
 - A. Unemployment
 - B. Structural unemployment
 - C. Seasonal unemployment
 - D. Atari democrats

5. _____ are governmental assessments used to raise revenue.
 - A. Economics
 - B. Macroeconomics
 - C. Microeconomics
 - D. Taxes

6. _____ is a type of partnership whereby two or more parties form a temporary business for a specific undertaking.
 - A. Acquisition
 - B. Dividend
 - C. Joint venture
 - D. Cooperative

7. _____ is a business in which the owner assumes all the risks.
- A. Subsidiary
 - B. Partnership
 - C. Sole trader
 - D. Parent company
8. Which of the following is a legal organization whose assets and liabilities are separate from those of its owners?
- A. Board of directors
 - B. Corporation
 - C. Sole trader
 - D. Partnership
9. The most widely used form of business ownership is a _____.
- A. general partnership.
 - B. limited partnership.
 - C. corporation.
 - D. sole trader.
10. Which of the four forms of business ownership usually provides specialised management?
- A. Corporation
 - B. Sole trader
 - C. Partnership
 - D. Joint venture
11. Additional capital is most easily obtained if the form of ownership is a _____.
- A. sole trader.
 - B. general partnership.
 - C. joint venture.
 - D. corporation.
12. Which of the following is an advantage of a corporation?
- A. Tax advantage
 - B. Legal restrictions
 - C. Limited financial liability
 - D. Ease of dissolution

13. One of the advantages of owning a small business is _____.
- A. a low financial risk.
 - B. lack of responsibility.
 - C. job security.
 - D. being your own boss.
14. One advantage of purchasing a franchise is _____.
- A. the purchaser is guaranteed success.
 - B. there are little or no government regulations or red tape.
 - C. a tested management system.
 - D. a guaranteed return on investment.
15. An important consideration in plant location is _____.
- A. transportation.
 - B. low taxes.
 - C. adequate labor supply.
 - D. All of the above.
16. The step in production control that involves developing the timetables for each operation is _____.
- A. planning.
 - B. routing.
 - C. scheduling.
 - D. dispatching.
17. If the price and quality of an item are similar, what other factors should determine the selection of the supplier?
- A. Speed of delivery
 - B. Previous experience
 - C. Warranties on purchases
 - D. All of the above
18. The measurement of products and services against established standards is called _____.
- A. follow-up.
 - B. quality control.
 - C. production control.
 - D. production planning.

19. High employee morale is associated with _____.
- A. high salary.
 - B. good working conditions.
 - C. a well managed organization.
 - D. paid holidays and vacations.
20. A decrease in employee productivity is often the result of _____.
- A. management theories.
 - B. employees being overpaid.
 - C. a lowering of morale.
 - D. None of the above.
21. Human resource planning is defined as _____.
- A. setting objectives for evaluating performance
 - B. developing strategies to meet future human resource needs
 - C. completing job analysis descriptions and specifications
 - D. keeping track of the number and type of present employees.
22. Which of the following is not one of the major strategies in the marketing mix?
- A. Distribution
 - B. Competition
 - C. Product
 - D. Price
23. Marketing is concerned with _____.
- A. time utility.
 - B. place utility.
 - C. ownership utility.
 - D. All of the above.
24. Profits peak at which stage of the product life cycle ?
- A. Introduction
 - B. Growth
 - C. Maturity
 - D. Saturation

25. If supply and demand both increase _____
- A. price must increase.
 - B. quantity demanded must increase.
 - C. price must decrease.
 - D. quantity must decrease.

(Total 50 marks)

Section B

This section contains TEN true/false questions. Each question merits 2 marks.

Write True or False in the answer sheet provided.

1. The quickest and simplest form of business to start is a partnership.
2. The law requires that all partnerships have a written agreement.
3. A partnership is defined as an association of two or more persons who are co-owners of a business for profit.
4. The death of one partner does not affect the business in any way.
5. One disadvantage of a sole trader is that generally the business dies with the owner.
6. One type of partnership is a joint venture.
7. Most corporations are large firms with thousands of employees.
8. Workers become more skilled with the use of specialisation.
9. A person can become a partner by purchasing stocks in the organisation.
10. In some small corporations the board of directors is active in management activities.

(Total 20 marks)

Section C**Answer any THREE out of FOUR questions.****Question 1**

Discuss any FIVE factors that influence the location of industries. (10 marks)

Question 2

Explain the elements of a business system. (10 marks)

Question 3

Explain and illustrate the product life cycle. (10 marks)

Question 4

Explain why human resource planning is important to an organisation. (10 marks)

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