

THE PAPUA NEW GUINEA UNIVERSITY OF TECHNOLOGY

ENTRY EXAMINATION 2016

DEPARTMENT OF BUSINESS STUDIES

BA001 BUSINESS STUDIES PAPER

FOR CANDIDATES APPLYING FOR THE BACHELOR OF COMMERCE

NOVEMBER, 2016

TIME:.....

VENUE:.....

TIME ALLOWED: 2 HOURS

INFORMATION FOR CANDIDATES

1. Print and sign your name.
2. All answers must be written in this booklet.
3. The Examination is comprised of two parts and are shown below.
PART A: MULTIPLE CHOICE **30 MARKS**
PART B: SHORT ANSWERS **20 MARKS**
4. Make sure you answer each question in full to gain full marks. The mark for each question is given with each question.
5. Make sure that your answers are legible, clear and easy to understand.
6. Notes and textbooks are not allowed in the examination room.

Surname:.....First Name:.....

Signature:.....Course Applied: Bachelor of Commerce.....

SECTION A: MULTIPLE CHOICE. (30 marks)

For this section, circle the answer of your choice on this paper.

1. The basic Economic Problem is a problem of...
 - a. Opportunities available in decision-making
 - b. Scarcity of resources
 - c. Limited wants and unlimited resources
 - d. Efficiency in production and consumption
2. Revenue minus Expense equals;
 - a. Income
 - b. Profit/Loss
 - c. Gain
 - d. Cost
3. Which of the following is a reality of a manager's job?
 - a. A manager's job is less a science than an art.
 - b. Managers are self-starting, self-directing, and autonomous.
 - c. Managers have no regular duties to perform.
 - d. Managers are reflective and systematic planners.
4. Data refers to...
 - a. Raw units or facts
 - b. Processed data.
 - c. Calculated values
 - d. Valuable information
5. Accounting entries involves a minimum of how many accounts?
 - a. One
 - b. Four
 - c. Two
 - d. Three
6. People resist change in an organization because;
 - a. uncertain about the outcome of the proposed change
 - b. concerned over personal loss brought about by the change
 - c. of the belief that the change is not in the best interest of the organization
 - d. all of the above
7. An example of a system software is...
 - a. MS Word
 - b. PDF reader
 - c. MS Windows
 - d. Facebook
8. Land, Labor, Capital and Entrepreneurship are the society's resources which are commonly known as...
 - a. Factor output
 - b. Capital investment
 - c. Financial investment
 - d. Factors of production
9. Giving more authority to employees to make decisions themselves without checking first with higher levels of management is:
 - a. Policy
 - b. empowerment
 - c. directing
 - d. controlling
10. Internet Explorer and Mozilla Firefox are...
 - a. Search Engines
 - b. Social Media Tools
 - c. Internet Browsers
 - d. Mobile Applications
11. The main difference between microeconomics and macroeconomics is that...
 - a. Macroeconomics is concerned with the decisions of households, firms and the government.
 - b. Microeconomists look at the aggregate effect of the individual decision making units in the economy.
 - c. Microeconomics examines the behavior of individual industries across many sectors of the economy.
 - d. Macroeconomics studies the aggregate effect of the individual decision making units in the economy.
12. Which of the following is an asset?
 - a. Motor vehicle
 - b. Cash
 - c. Accounts receivable
 - d. All of the above
13. A source of conflict in an organization is:
 - a. shared resources
 - b. differences in goals
 - c. interdependence of activities
 - d. all of the above

14. What type of media content is expected to be contained in the file named 'comeback.mp4'?

- a. Audio
- b. Video
- c. Publication
- d. All of the above

15. Efficiency is the:

- a. ability to do the right things
- b. ability to explore opportunities
- c. ability to do things right
- d. ability to live and work with a group of people

16. Which of the following lists contain only output devices?

- a. touch screen, microphone and keyboard
- b. hard disk, monitor and camera
- c. speaker, printer and display screen.
- d. CPU, projector and USB device.

17. The law of demand states the...

- a. Inverse relationship between price and quantity demanded.
- b. Inverse relationship between price and quantity supplied.
- c. Positive relationship between price and quantity demanded.
- d. Positive relationship between price and quantity supplied.

18. An organizational structure shows:

- a. the division of work
- b. the levels of management
- c. the grouping of work segments
- d. all of the above

19. The fall in the price of a good can be demonstrated as...

- a. An upward movement along the demand curve.
- b. A downward movement along the demand curve.
- c. A rightward shift of the demand curve.
- d. A leftward shift of the demand curve.

20. Managers are expected to:

- a. think through their goals and actions based on some method or logic
- b. make jobs confusing for their employees
- c. make decisions on ad-hoc basis
- d. allow division to be created among employees in the work place

21. The law of supply states the...

- a. Inverse relationship between price and quantity demanded.
- b. Inverse relationship between price and quantity supplied.
- c. Positive relationship between price and quantity demanded.
- d. Positive relationship between price and quantity supplied.

22. What financial statement shows the Revenues and expenses of a firm?

- a. Balance sheet
- b. Statement of cash flow
- c. Equity statement
- d. Income statement

23. An improvised style of leadership

- a. ensures work is done
- b. assume work will be done
- c. has average concern for product and employees
- d. ensures employees have greater social interactions

24. What the owner contributes to the business is defined as;

- a. Income
- b. Asset
- c. Owner's equity
- d. Gain

25. ----- is the act of holding subordinates liable.

- a. Authority
- b. Decentralization
- c. Responsibility
- d. Accountability

26. In a normal market situation, if the price is set above the equilibrium price it will result in...

- Excess supply.
- Excess demand.
- Shortage.
- Market efficiency.

27. There are two ways of recording revenue. Cash and Accrual. Cash is when revenue is recorded only when cash is received. What is Accrual?

- When revenue is earned and not necessarily collected
- When revenue is promised but not earned
- When money is collected
- None of the above

28. Marginal revenue equals the change in total revenue associated with;

- Decreasing sales revenue from laying-off a worker.
- Increasing the price per unit of output sold.
- Hiring an additional worker.
- Selling an additional unit of output.

29. Which of the following market structures has a small number of firms, each large enough to have an impact on the market price of its outputs?

- Perfect competition
- Monopolistic competition
- Oligopoly
- Monopoly

30. Unemployment that arises due to economic recessions and depressions are known as...

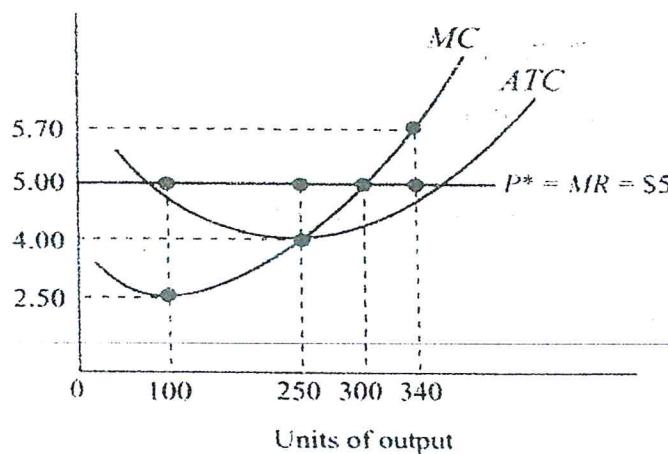
- Structural unemployment
- Seasonal unemployment
- Cyclical unemployment
- Disguised unemployment

SECTION B: SHORT ANSWERS.

For this section, write your answers next to the question respectively.

QUESTION ONE: (5 marks)

Refer to the figure below that shows the revenue and cost curves for a firm.



- How much output should the firm produce to maximize profit? (2 marks)
- Calculate the amount of profit at the profit maximising level of output. (2 marks)
- If the firm is to minimize per unit cost of production, how much output should it produce? (1 mark)

QUESTION TWO: (5 marks)

State one source document for each of the following journals;

- a. Cash Receipts Journal
- b. Cash payments Journal
- c. Sales Journal
- d. Purchases Journal
- e. Sales Returns Journal

QUESTION THREE: (5 marks)

Below is a sample of a database table named 'Subject'. Refer to this table to answer the questions that follow.

Subject Table

SubjectCode	Sub_Description	SectionID
BA111	Basic Accounting	Ac
BA265	Business Statistics	Ec
BA333	Organizational Behavior	Mg
IS111	Industrial Work Experience	IT

- a. Write down an example of a field name (2 marks)
- b. Write a valid record from this table. (3 marks)

QUESTION FOUR: (5 marks)

Use the information provided to complete the entries below. The first one has been done as an example for you.

Date	Transaction	Account	Debit/Credit	Amount
01.01.15	<u>Example</u> Owner contributed K10,000 cash to start business	Cash	Debit	10,000.00
		Capital	Credit	10,000.00
05.01.15	Paid wages expense K500.00			
10.01.15	Sales revenue of K1,500.00			

END OF EXAMINATION

