THE PAPUA NEW GUINEA UNIVERSITY OF TECHNOLOGY

ENTRY TEST 2021

DEPARTMENT OF BUSINESS STUDIES

BA 001 BUSINESS STUDIES PAPER

FOR CANDIDATES APPLYING FOR BUSINESS STUDIES WHICH INCLUDES (ACCOUNTING, APPLIED ECONOMICS, MANAGEMENT & BUSINESS IT)

NOVEMBER 2021

VENUE: .... LOCATION: .... TIME: ....

TIME ALLOWED: 2 HOURS

DIRECTIONS TO STUDENTS

1. Print and sign your name
2. All answers must be written in this booklet
3. The Examination is comprised of three parts and are shown below
   PART A: You MUST Answer all Questions.   Marks 21
   PART B: You MUST Answer all Questions.   Marks 59
   PART C: Essay You need to answer only one Question   Marks   20
   Total Marks: 100

4. Make sure that you read each question carefully. The number of marks for each question is given with each question.

5. Should you wish to make any changes to your answers, make sure the new answers are legible, easy to read and understand.

6. Notes, textbooks and mobiles are not allowed in the exam hall.
....

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

Signature:......................................
....

PART A MULTIPLE CHOICE (ONE MARK EACH)   (21 Marks)

Instructions: <u>Circle</u> the correct answer and if you make a mistake put a cross and circle the new choice.

Q1. In accounting which of the following are 'assets?'

    a) Cash and cash at bank
    b) Inventory and goods in transit and in stock
    c) Land owned by a company
    d) All of the above

Q2. A software intentionally designed to cause damage to a computer system or network is generally known as a;

    a) bot

    b) program

    c) malware

    d) virus

Q3. The Basic Economic problem is a problem of
    a) the overall economy in declining.
    b) Scarcity of resources.
    c)The basic consumer behavior in the market.
    d) the behavior of both firms and households and how they interact in a open market competition.

Q4. What the owner contributes to the business is defined as;
    a) Capital gain
    b) Gross Income gain
    c) Owner's equity as capital
    d) Assets and capital

Q5. What term refers to when each transaction has two sides of entry in bookkeeping as "deb and credit" in accounting?

    a) Liquidity cash based single entry accounting.
    b) Double entry accounting
    c) Owner's equity, liability and company assets accounting.
    d) Payables and creditors ledger Accounting

Q6. Which option in Figure 1, as shown below, is used to highlight text with a color?

Figure 1
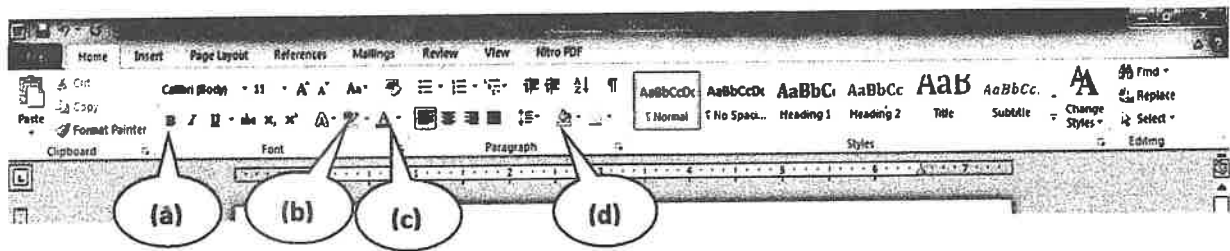
Q7. In Management sciences, which is a factor of production?

a) a bank loan and owner's equity
b) labor, capital and land
c) Management and skilled and unskilled work-force
d) Land and property

Q8. The most important leadership traits are:
a) developing a conducive environment for all stakeholders.
b) good wages laborer satisfaction
c) emotionally mature and capable of handling extreme situation.
d) customization of products and marketing skills

Q9. A "Balance Sheet" is a key financial statement and is also known as;
a) record of all profit and loss transactions.
b) record of all cash and assets owned by the entity.
c) the statement of financial position.
d) income and expenses statement, which gives us the gross profit.

Q10. Select the option that represents a valid web address of a website.

a) http://www.greenfuture.com   c) //the_imagination.mp4

b) C:/future/Greenfuture.pdf   d) eastercampsites

Q11. Aggregate supply is the total amount of:
a) total labor supplied by all households
b) total products produced by a given industry
c) total goods and services produced in an economy
d) total goods and services provided by the government

Q12. In management the importance of time management is to;
a) helps us to focus on goals, targets and objectives
b) resource to be managed to gain maximum output and value
c) unit of measurement as commodity of value
d) all of the above

Q13. Basic practice of bookkeeping in accounting can be explained as:
   a. Preparing and provide reports to the superiors on a weekly basis for monitoring.
   b. Verifying the accounting procedures of the entity to provide reasonable safeguard against error and fraud.
   c. Planning a system of accounting suitable to the entity depending on the size, small firms do not need accounting.
   d. Recording individual transactions chronologically for a given period of time.

Q14. The smallest pieces of data found in a table in MS access is known as a;

   a)   field   b) bit   c) cell .   d) database

Q15. A market is in equilibrium:
   a) whenever the demand curve is down-sloping and the supply curve is up-sloping
   b) provided there is no surplus of the product
   c) at all prices above that shown by the intersection of the supply and demand curves
   d) if the amount that producer wants to sell is equal to the amount that consumers want to buy.

Q16. People resist changes for various reasons and a method that can be used by managers to overcome them is:
   a) promote self interest and reward the leaders
   b) suspension and or termination of resistant leaders
   c) suppression
   d) provide more information to all stakeholders.

Q17. Which of the following is correct about firms in an oligopoly situation?
   a) each firm has complete control over its own selling price.
   b) all firms independently charge monopoly prices.
   c) no one firm controls price, but each has an influence on the price
   d) there is no competition in oligopoly industries

Q18. Which component of the Computer's central processing unit is responsible for doing calculations?

   a) HDD   (b) RAM   (c) HTTP   (d) ALU

Q19. The circular flow of goods and incomes shows the relationship between
   a) goods and services.
   b) income and cash transactions.
   c) firms and households
   d) wages and salaries

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Q20. All of the following would be considered a separation from a firm except a(n)
  a) Layoff during the pandemic for no jab no job policy
  b) Retirement at age 55 due to
  c) demotion and put on notice.
  d) Firing for being continuous absence for work after 3 warnings.

Q21. In accounting the concept in the equation: Assets = Liabilities + Owners' Equity means;
  a) Creditor's responsibility to an entity equals the owner's portion in the entity.
  b) Creditors and shareholders have equal rights to the assets of the entity.
  c) Creditors and owners do not have anything in common in the entity.
  d) All assets of the entity can be divided into amounts that are owed by the creditors and total value of assets belonging to the provider of the capital knowns as owner's equity or shares.

Part B Short Answers   (59 marks)
Instructions: Attempt all questions on the answer sheet provided

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Q1. Describe what is meant by a "Loss":   (5 Marks)

Q2. State one source document for each of the following journals for Accounts. (5 Marks)
  a) Cash Payment –
  b) Cash Receipts –
  c) Sales –
  d) Purchase –
  e) Sales returns –

Q3. What does each computer related acronym below represent?   (1 marks each = 4 marks)
  a)   BIOS
  b)   WWW –
  c)   HDD –
  d)   LAN –

Q4. Questions A to D refer to the following information.   Formula: $\%\Delta Q_d \div \% \Delta P$

The following table shows the quantity of a product demanded at two different prices: The price increases from K30.00 to K40.00.

	Price	Quantity Demanded
Price 1	30	200
Price 2	40	150

A. Calculate the price elasticity of demanded when price increases from K30 to K40. (2 Marks)

B. What is the price elasticity of demand? (2 Marks)

C. Explain the answer above (Question A) in terms of the responsiveness of the demand to changes in price. (2 Marks)

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Q5. Discuss the three basic approaches to identifying training needs of an Organization. (5 Marks)

Q6. What is an asset and give some examples of assets of a company? (5 Marks)

Q7. Select the correct word from the list to fill the blanks.   (5 marks)

> *ROM, spam email, internet, firewall, network, workbook, virus, winzip, random access memory, worksheet*

a) The working area in which the data and information is entered and displayed in MS Excel is: _____ .

b) A permanent computer memory for data storage which cannot be manipulated (non-volatile) is called the _____ .

c) A connection of one or more nodes or computer devices is a known as a _____ .

d) A _____ can safeguard a computer system from computer related _____ attacks.

Q8. Discuss the importance of cash planning.   (5 Marks)

Q9. What is the difference between accounts payable & accounts receivable? (5 Marks)

Q10. Explain how the Open Market Operation as one of the Central Bank's Monetary Policy tools will be used to reduce the money supply in PNG supply and demand and then answer the questions that follow .   (5 Marks)

Q11. The graph below indicates a market scenario. Carefully study the graph,

The movement of price and its impacts on supply and demand.
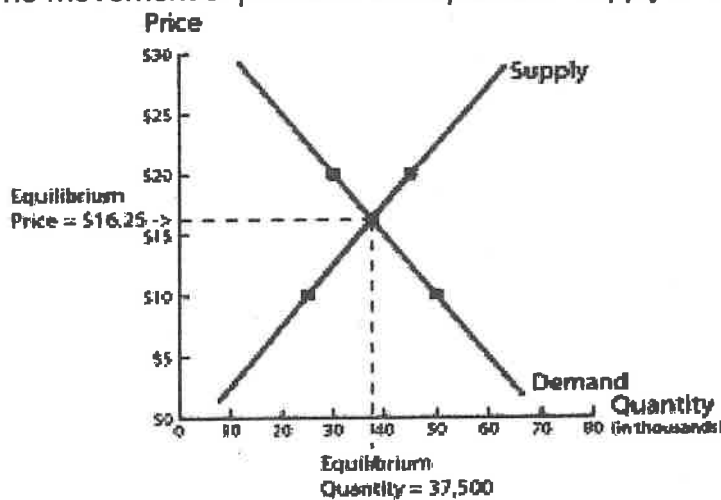
Carefully explain

a)   If price decreases from $16.25 to $10 what will happen to demand? (3 marks)

b)   If price increases from $16.25 to $20 what will happen to supply? (3 mark)

c)   At the price of $10 is there surplus or shortage? (3 mark)

1. Why is it needful for keeping proper financial/Accounting records and balancing of Books in any organization? **(20 marks)**

   or

2. The effective management of organizational conflicts. **(20 marks)**

   or

3. The political, economic, financial and the social condition of PNG according to the world standards has given PNG a bad name as the Most Corrupt Country in the World. Please explain the term corruption and how and why is PNG listed among the worst from an economic perspective. **(20 Marks)**

   or

4. Today's world revolves around information and communications technology (ICT). Refer to the following questions that relate to ICT. **(20 Marks)**

   a. 'Social media' applications are widely used globally. Explain what a 'Social Media' application is and give an example. **(8 Marks)**

   b. Explain what an 'Open Source Software' is and name an example. **(7 marks)**

   c. Name the different parts of the computer system as indicated by the letters A to E

   (5 Marks)