

THE PAPUA NEW GUINEA UNIVERSITY OF TECHNOLOGY

**DEPARTMENT OF BUSINESS STUDIES
2023 BA 001 BUSINESS STUDIES PAPER**

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

TIME ALLOWED: 2 HOURS

VENUE: _____ **LOCATION:** _____ **TIME:** _____

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: True or False | Marks 18 |
| PART B: Short Answers & Fill in the Blanks | Marks 48 |
| PART C: Multiple Choices | <u>Marks 34</u> |
| Total Marks: | <u>100</u> |
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.

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Surname: _____ **First Name:** _____

Signature: _____ **Date:** _____

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Part A: True or False**(18 Marks)****Circle the correct answer in the following statement.**

1. Computers convert data into information using the information processing cycle.
True or False
2. A cell is the intersection of a row and a column in a spreadsheet. True or False
3. Chat is a service that allows phone calls to be transmitted over the Internet instead of traditional phone lines. True or False.
4. Economics is not about studying economic problems arising due to limited means (having alternative uses) in relation to unlimited wants. True or False.
5. Cyber-harassment between two minors is known as cyber-terrorism. True or False.
6. The records that are kept for the individual asset, liability, equity, revenue, expense, and dividend components are known as accounts. True or False.
7. Book keeping is best described as accurate and detail recording of all transactions that take place in an entity. True or False.
8. The two features of resources that give rise to an economic problem are: Resources are limited and the use of it has alternative to choose from. True or false.
9. The scarcity of resources is the basic reason for economic problem in all economies.
True or False.
10. Accounts receivable are moneys owed to the business by customers/clients for goods and services rendered. True or False
11. Whole sales enterprise is not to buy and sell in large quantity of goods. True or False.
12. In economics, goods and services can be produced in two ways: by using labour intensive techniques, and by using capital-intensive techniques only in developed economies.
True or False.
13. Production possibilities of an economy refer to different combinations of goods and services which an economy can produce from a given amount of resources and a given stock of technology. True or false.
14. A business whose liabilities are greater than its assets, has a bad financial position.
True or False
15. A spam can safeguard a computer system from computer related virus attacks. True or False.
16. Chat is a service that allows phone calls to be transmitted over the Internet instead of traditional phone lines. True or False
17. Cyber-harassment between two minors is known as cyber-terrorism. (False or True)
18. The component of a smart device that is used as an input and output source is called a touch screen. True or False

Part B: Short Answers & Fill in the Blanks
Clearly Write the answers in the space provided.

(48 Marks)

1. What does each computer related acronym below represent?

(2 marks each = 8 marks)

- a) BIOS – [_____]
- b) WWW – [_____]
- c) CPU – [_____]
- d) LAN – [_____]

2. Calculate a Simple interest



(5 Marks)

Calculate your total interest by using this formula: (P) principal loan amount x (i) Interest rate x (n) Time (Number of years in term) = (i) Interest. If you take out a five-year loan for K20,000 and the interest rate on the loan is 5 percent, the simple interest formula works as follows:

3. Calculate your total compounded principal plus interest, (by using this formula below): where (A) Amount, (r) Interest rate, (n) Number of period/term, and (P) being the principle amount. If you save K20,000 and the interest rate 5%pa for 5 years.

(5 Marks)

Compound Interest


$$A = P \left(1 + \frac{r}{n} \right)^{nt}$$


4. Select the correct word from the list to fill in 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 known as a _____

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

5. Discuss SWOT analysis (Strengths, Weakness, Opportunities, Threats) and its impact on any organization or business. **(5 Marks)**
6. What is marketing and example of medium of marketing? **[5 MARKS]**
7. Explain what the term “debits? **[5 MARKS]**
8. Explain what the term and credits” mean **[5 MARKS]**
9. Discuss the subject matter of microeconomics and macroeconomics). **(5 Marks)**

Circle the correct and the best answer. [If you make a mistake, put a cross and circle the new choice].

1. What the owner contributes to the business is defined as;
 - a. Retained income tax.
 - b. Gross Income.
 - c. Owner's equity as capital.
 - d. Assets and debt.
2. What is a compact desktop computer with an integrated monitor and system unit?
 - a. All-in-one.
 - b. Mainframe.
 - c. Supercomputer.
 - d. Key board + mouse.
3. The Basic Economic problem is a problem of
 - a. The overall inflation and increase on goods and services pricing.
 - 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.
4. What is the relationship that exist in an organization between the employer and the employee defined as;
 - a. Business relations.
 - b. Professional relations.
 - c. Industrial relations.
 - d. Social and cultural relations.
5. A statement that is prepared at the end of each month to reconcile balance per bank and cash book.
 - a. Cash Account Book.
 - b. Bank Reconciliation Statement.
 - c. Subsidiary ledgers Statement.
 - d. Cash flow.
6. Which application would be the best choice for creating a resume and writing application letter?
 - a. Data Stata file.
 - b. Word processor.
 - c. Personal information manager.
 - d. Spreadsheet.

7. In Management sciences, which is a factor of production?

- a. Bank loan and owner's equity.
- b. Labor, capital and land.
- c. Management and skilled and unskilled work-force.
- d. Land and property.

8. In business, human resource management is involved with:

- a. Personnel emoluments, leave entitlements, employment issues, retirement issues.
- b. Provide clear understanding on the vision and goals of the organization.
- c. Ask the appropriate questions and contribute to external affairs and communities.
- d. Assist in develop business strategies, have customer orientation and an awareness of the competition to be able to link business strategy to external clients.

9. In Accounting, liabilities can best be described as;

- a. Legal obligations that is outstanding in loans from banks and owners contributions in shares.
- b. Amounts owed to others relating to loans, extensions of credit, and other obligations arising in the course of business.
- c. The owner's contribution towards the start of business only.
- d. The debtor's outstanding payments not yet received.

10. Which of the following operating system IT is open source?

- a. Microsoft Windows.
- b. MS Office.
- c. Linux.
- d. MacOS.

11. 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 provided by the government as reported by the Treasury Dept.
- d. Total goods and services produced in an economy.

12. In business, human resource management is important, which of this best defines human resource management?

- a. Productive use of people in achieving the organization's objectives, and the satisfaction of individual employee needs.
- b. Provide clear understanding on the vision and goals of the organization.
- c. Ask the appropriate questions and contribute to business discussions.
- d. Assist in develop business strategies, have customer orientation and an awareness of the competition to be able to link business strategy to HR policies and practices.

13. 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.

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

- a. Field
- b) Bit
- c) Clones
- d) Database

15. A economics 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.

16. Total Quality Management focuses on three important areas which are;

- a. Constant change, continual improvement, superior value.
- b. Superior cost, superior quality, superior service.
- c. Cost, improvement, profit oriented.
- d. All of the above.

17. In economics, the term 'opportunity cost' is;

- a. The opportunity to save cost with lowest price.
- b. Opportunity cost is the cost of the next best alternative.
- c. The availability of every opportunity in market economy.
- d. None of the above is relevant definition.

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

- a. HDD
- b. RAM
- c. HTTP
- d. ALU

19. 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.

20. Management of business and its resources is defined as;
- The process of planning, organizing, leading and controlling the work of organizational members and resources to reach goals.
 - A process in which things are systematically done.
 - The art of getting things done through people.
 - All of the above.
21. Account keeping can be best described as;
- Keeping records and minutes of all matters in meetings, operations, business transactions including import and export.
 - The records that are kept for the individual asset, liability, equity, revenue, expense, and dividend components are known as accounts.
 - The record of all banking, takings, payments, taxes, bank reconciliation, timecards and payroll.
 - None of the above.
22. What term refers to when each transaction has two sides: debit and credit?
- Liquidity and cash.
 - Double entry accounting.
 - Owner's equity and liability.
 - Sell-ability and creditors.
23. Which of the following can be used to remove text from a document?
- The Backspace key.
 - Cut text (Ctrl+X).
 - Copy text (Ctrl+C).
 - Only a and b above.
24. Which financial statement reports the assets, liabilities, and stockholders' (owner's) equity at a specific date?
- Balance Sheet.
 - Income Statement.
 - Statement of Cash Flows.
 - Statement of owner's equity.
25. Which one of the following items would fall under the definition of a current liability?
- Cash.
 - Debtors.
 - Owner's Equity.
 - Tax Owed.
26. Select from the list below that represents the acronym "URL" in web terminology.
- Uniform Resource Locator.
 - Universal Rendering Language.
 - User Requirement List.
 - Unified Resource Library.

27. What does CPU stand for?
- Central Processing Unit.
 - Computer Personal Unit.
 - Central Printed Unit.
 - Core Programming Unit.
28. Identify from the list the type of memory that is non-volatile and retains data even when the computer is turned off.
- RAM (Random Access Memory).
 - Cache Memory.
 - ROM (Read-Only Memory).
 - Virtual Memory.
29. Choose from the below options the computer port is typically used for connecting a printer.
- USB.
 - HDMI.
 - Ethernet.
 - VGA.
30. Which type of software allows users to interact with the computer hardware?
- Firmware.
 - Middleware.
 - Operating System.
 - Spreadsheet Software.
31. Net income is the amount:
- The company earned after subtracting expenses and dividends from revenue.
 - By which assets exceed expenses.
 - By which assets exceed liabilities.
 - By which revenues exceed expenses.
32. A _____ is a program that interprets HTML to display webpages.
- Hyperlink.
 - URL.
 - Web browser.
 - VoIP.
33. Which of the following are 'assets?'
- Cash and cash at bank
 - Inventory and goods in transit
 - Land owned by a company
 - All answers are correct

34. In calculating interest when borrowing a loan, the term initial p.a. stands for;
- a) Par automatic used for automation of calculation.
 - b) Per centage, value charged for the principle.
 - c) Per annum, the period or term used for charging interest in a year.
 - d) None of the above.

End of the Test