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INTERNATIONAL COLLEGE PENANG (507232-U)

LAUREATE INTERNATIONAL UNIVERSITIES

FINAL
Examination Paper

(COVER PAGE)

Session : AUGUST 2016

Programme : FOUNDATION IN BUSINESS INFORMATION TECHNOLOGY

Course : MGT1211: INTRODUCTION TO BUSINESS STUDIES

Date of Examination : 8 December 2016 (Thursday)

Time : 11:00am - 1:00pm Reading Time : Nil

Duration : 2 Hours

Special Instructions :

This paper consists of **TWO (2)** sections.

Section A: Answer **ALL** questions in the OMR sheet provided.

Section B: Answer any **THREE (3)** out of the **FOUR** questions.

Materials permitted :

Nil

Materials provided :

Nil

Examiner(s) : Ng Huey Miin

Moderator : Dr. Intan Osman

This paper consists of 10 printed pages, including the cover page.

INTI INTERNATIONAL COLLEGE PENANG

FOUNDATION IN BUSINESS INFORMATION TECHNOLOGY (CFPI)
MGT1211: INTRODUCTION TO BUSINESS STUDIES

FINAL EXAMINATION: AUGUST 2016 SESSION

SECTION A (25 marks)

Answer ALL multiple-choice questions.

- (1) Choose the correct statement.
- A) Private businesses are owned by the government.
 - B) All private businesses need to compete for the scarce resources.
 - C) Private businesses must be co-owned between the individuals and the government.
 - D) A, B and C are all incorrect statements.
- (2)
- I) Similar with sole proprietorship, partnership has unlimited liability.
 - II) Partnership needs to terminate the business if there is a death of any of partners.
 - III) Partnership may have 2 to 50 partners.
 - IV) Partnership is difficult to form as compared to private limited company.

The correct statements are:

- (A) I, II
 - (B) I, II, III
 - (C) I, II, IV
 - (D) All statements are correct
- (3) The followings are the business objectives, **except**
- (A) Fulfilling the legal requirements from the government
 - (B) Providing employment and better career for the workers
 - (C) Fulfilling managers' or owners' personal goals
 - (D) Fulfilling the financial goals

- (4) The elements of external environment are:
- (A) Shareholders, customers and vendors.
 - (B) Political-legal, economic and sociocultural.
 - (C) Political-legal, shareholders and customers.
 - (D) Shareholders, customers and sociocultural.
- (5) I) Production concept emphasises more on producing in quantity and low price product.
II) Product concept emphasises quality product with good after sale service.
III) In production concept, the manufacturer tends to produce good quality product in high cost, hence, selling at high price.
IV) In product concept, the company will produce product with mass production quantity.

The correct statements are:

- (A) I, II
 - (B) I, III
 - (C) II, III
 - (D) II, IV
- (6) Identify the **correct** statement.
- (A) For specialty goods, consumers will not accept substitution of products.
 - (B) Consumer goods are more expensive than shopping goods.
 - (C) The examples for shopping goods are tissue papers and mineral water.
 - (D) For shopping goods, consumers will not accept substitution of products.
- (7) The followings are distribution channels, **except**:
- (A) Direct distribution
 - (B) Agent/broker
 - (C) Wholesaler
 - (D) Personal selling

- (8) Demographic segmentation considers the followings **except**:
- (A) Family size
 - (B) Income
 - (C) Occupation
 - (D) Behaviour
- (9) . Choose the **correct** statement.
- (A) External recruiting methods include advertising, campus interviews and employment agencies.
 - (B) From job description, managers are able to develop or revise the job analysis and job specification.
 - (C) Orientation is meant for the new and existing employees.
 - (D) On-the-job training is conducted outside the organisation.
- (10) Select the **correct** statement.
- I) When the employees refuse to do any particular jobs or use specified machines, employers may employ non-union members to replace the union members on strike.
 - II) The main objective of union formation is to protect and represent the rights of the union members.
 - III) When employees refuse to work, the employer cannot prohibit the employees to enter the workplace.
- (A) I, III
 - (B) II, III
 - (C) I, II
 - (D) I, II, III
- (11) The followings are the importance of profits, **except**:
- (A) Profit is a financial reward to the entrepreneurs and businessmen.
 - (B) Profit is the return of investment paid to the shareholders.
 - (C) All business with profits will donate to the charity organisations.
 - (D) Profitable businesses generate sources of income to the government of a nation.

- (12) The followings describe the characteristics of private sector, **except**:
- (A) All types of resources become scarce resources in the private sector.
 - (B) Private sector is profit oriented.
 - (C) Private sector has certain targets to achieve for its business.
 - (D) Profit is an optional goal in private sector because social goals overwrite financial goals.
- (13) The followings are the advantages of setting up sole proprietorship, **except**:
- (A) It is easier to end the sole proprietorship because there is no perpetual continuity for this type of business.
 - (B) The sole proprietor has all the freedom to determine the operations and administration matters for the business.
 - (C) The owner of sole proprietorship is not obliged to publish the profit and loss account.
 - (D) There is an only minimum legal requirement to set up the business.
- (14) Identify the similarity between a private limited company and a public limited company.
- (A) Both companies have almost the same total maximum numbers of members.
 - (B) Both companies enjoy perpetual continuity and limited liabilities.
 - (C) Both companies do not have separate legal entity.
 - (D) Both companies are registered under Registrar of Business.
- (15) The followings describe the differences between a sole proprietorship and a partnership, **except**:
- (A) A partnership is able to obtain better amount of capital as compared to a sole trader.
 - (B) A sole trader enjoys better freedom and flexibility as compared to a partnership.
 - (C) A partnership may continue with its business if one of its partners passed away; whilst a sole trader needs to dissolve its business.
 - (D) A sole trader does not need to adhere to the terms and conditions laid out in the partnership.

- (16) Identify which of the followings belong to high-contact process in a service operation process.
- (A) Kelly walks into the beauty salon to obtain the services for hairdo, manicure and pedicure.
 - (B) Jason enters the bank to withdraw money from the ATM machine.
 - (C) Sophia enrolls and going through a distant learning programme to complete her Master Degree.
 - (D) Ken returns the text books and magazines on Sunday by dropping the books into the drop-box provided outside the library.
- (17) The following factors describe the importance of choosing the most suitable retail business location, **except**:
- (A) The retail outlet needs to provide safe and convenient parking lots to the customers.
 - (B) The retail outlet must be located at convenient location that is accessible especially via public transport.
 - (C) The retail outlet should choose a location that is very distant from its competitors in order to get a bigger market share.
 - (D) The retail outlet needs to be aware of the demographic distribution before deciding the retail location for its business.
- (18) Assuming that you are the newly appointed CEO of Burger King, and the Board of Directors (BOD) seek for your opinion whether to expand the business outlet in India. Which of the followings happen to be the **most important** factor that determines your decision?
- (A) The political policies of the India government
 - (B) The local product standard practised by the domestic market
 - (C) The fluctuation in currency exchange in order to avoid losses
 - (D) The cultural preferences and the customers' preferences

- (19) Select the **correct** statement.
- (A) Jobbing production – Example: the production of mineral water
 - (B) Mass production – Example: the production of Samsung Note 7, Gold
 - (C) Batch production – Example: the production of Toyota Vios 1.5E, Silver
 - (D) None of the above is correct
- (20) Job analysis needs the following information to develop job description (JD) and job specification (JS), **except**:
- (A) duties and responsibilities of the job
 - (B) behaviour and personalities of the job holder
 - (C) qualification, skills and experience of the job holder
 - (D) employment history of the job holder
- (21) The followings describe external recruitment, **except**:
- (A) Rehiring
 - (B) College recruitment
 - (C) Employment agencies
 - (D) Walk-in
- (22) The responsibilities of a Management Accountant are as follows, **except**:
- (A) budgetary planning and control
 - (B) long term investment, mergers and acquisition
 - (C) investment control
 - (D) data processing and breakeven control
- (23) Identify the example for short-term expenditure.
- (A) Trade credit
 - (B) Factoring account
 - (C) Account payable
 - (D) Promissory note

- (24) All the followings are short-term source of fund, **except**:
- (A) Corporate bonds
 - (B) Commercial papers
 - (C) Line of credit
 - (D) Revolving Credit Agreement
- (25) Equity financing is better than debt finance because
- (A) the organisation obtains larger amount in equity financing as compared to debt financing.
 - (B) the organisation does not need to serve the instalment repayment and interest monthly.
 - (C) the organisation does not need to repay the shares issued for at least 30 years.
 - (D) the organisation enjoys tax deduction from the issuance of shares.

SECTION B (75 marks)

Instructions: This section consists of **FOUR (4)** questions. Answer any **THREE (3)** questions in the answer booklet provided. All questions carry equal marks.

Question 1

- (a) Briefly explain the concept of business. (2 marks)
- (b) Discuss **four (4)** importance of business to the individual, society and the nation. (8 marks)
- (c) Discuss the **five (5)** factors of production with suitable examples (15 marks)

Question 2

- (a) It is important for the marketing managers to develop the four basic components of marketing mix.
List and explain in detail the **four (4)** components of marketing mix. Provide an example for each component. (16 marks)
- (b) List and discuss **three (3)** promotional tools used in marketing. (9 marks)

Question 3

- (a) Compare and discuss **five (5)** differences between service and manufacturing operations. (15 marks)
- (b) Define the term 'diseconomies of scale'.
Discuss **three (3)** reasons that lead to diseconomies of scales in an organisation. (10 marks)

Question 4

- (a) Discuss **three (3)** methods used by the Human Resource to evaluate the employees.

(9 marks)

- (b) Discuss **four (4)** methods used in selection process.

(16 marks)

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