



FINAL
Examination Paper

(COVER PAGE)

Session : August 2017

Programme : Foundation in Business Information Technology (CFPI)

Course : MGT1211: Introduction to Business Studies

Date of Examination : 12 December 2017 (Tuesday)

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

Duration : 2 Hours

Special Instructions :

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

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

Section B: Answer **any THREE (3)** questions in the answer booklet provided.

Materials permitted :
Nil

Materials provided :
OMR Sheet

Examiner(s) : Ng Huey Miin

Moderator : Assoc Prof. Dr. Intan Osman

This paper consists of 9 printed pages, including the cover page

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FOUNDATION IN BUSINESS INFORMATION TECHNOLOGY (CFPI)
MGT1211: INTRODUCTION TO BUSINESS STUDIES
FINAL EXAMINATION: AUGUST 2017 SESSION

SECTION A (25 marks)

Instructions: Answer ALL multiple-choice questions.

- (1) Choose the **correct** statement.
- (A) The government must hold a certain amount of shares in the private businesses.
 - (B) All private businesses aim for profit to enable continual survival.
 - (C) Private businesses must be co-owned between the individuals and the government.
 - (D) A, B and C are all incorrect statements.
- (2) I) The partnership has unlimited liability.
II) Partnership may consist of 2 to 20 partners.
III) Partnership need not terminate the business if there is a death of any of partners.
IV) Partnership is difficult to form as compared to public 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) Satisfying the legal obligations from the government.
 - (B) Providing employment opportunities for the workers.
 - (C) Fulfilling the owners' personal goals.
 - (D) Fulfilling the financial objectives.

(4) The elements of internal environment are:

- (A) Domestic businesses, customers and vendors.
- (B) Government, shareholders and Trade union.
- (C) Political-legal, shareholders and customers.
- (D) Shareholders, customers and sociocultural.

(5) I) Production concept emphasises more on mass production with reasonably low- price merchandise.
II) Product concept emphasises on mostly luxurious product with good after sale service.
III) In production concept, the manufacturer tends to produce good quality product in high cost, low quantity, thus, 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) Goods produced according to the Selling concept are as follows, **except**:

- (A) Premium quality in product with excellent customer service.
- (B) Well-trained sales representative with good influential skills.
- (C) Products needs extensive advertising activities.
- (D) Retail counters need to be set up in order to serve customers face to face.

(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) Nature of job
 - (B) Income
 - (C) Family size
 - (D) Psychology
- (9) Choose the **correct** statement.
- (A) External recruiting methods include Walk-in, Executive search firm and Referral.
 - (B) From job specification, managers are able to produce the job analysis and job description.
 - (C) Orientation is meant for the new and current employees.
 - (D) Off-the-job training utilises the supervisor to coach the workers during working hours.
- (10) Select the **correct** statement.
- I) When the employees strike, the management may prohibit the employees to enter the premises of the organisation.
 - II) One of the objectives of union formation is to have a better bargaining power while representing its members.
 - III) When employees refuse to work, the employer cannot engage outsiders to replace the employees to work.
- (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 return of investment to the shareholders.
 - (B) Profit is a financial reward to the entrepreneurs and businessmen.
 - (C) Business with profits is oblige to provide financial support to the charity organisations.
 - (D) Profitable businesses are important sources of income to the government of a nation.

- (12) The followings do not describe the characteristics of government sector, **except**:
- (A) All types of resources become scarce resources in the government sector.
 - (B) Government sector aims high to provide good return of investment to the shareholders .
 - (C) Government sector has certain profit oriented targets to achieve for the businesses.
 - (D) Profit is an optional goal in government sector because social goals overwrite financial goals.
- (13) The followings are the advantages of setting up partnership, **except**:
- (A) Partners may not make secret profits and transfer their interest without the consent of the other partners.
 - (B) Partners in a partnership can contribute various skills in the business.
 - (C) The partnership is not obliged to publish the profit and loss account to the outsiders.
 - (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 separate legal entity privilege.
 - (C) Both companies do not have perpetual continuity and limited liabilities.
 - (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 low-contact process in a service operation process.
- (A) Jerry enters the bank to deposit money into the cash deposit machine.
 - (B) Lina walks into the spa to obtain the services for full body massage and foot reflexology treatment.
 - (C) Sofia enrolls a full-time degree course and needs to attend classes 4 days a week in a college.
 - (D) Ken borrow the text books and magazines from the National Library.
- (17) The following factors **do not** describe the importance of choosing the most suitable retail business location, **except**:
- (A) It is not compulsory for the retail outlet to provide safe and convenient parking lots to the customers.
 - (B) The retail outlet can be located at any locations as long as the outlet sells good and cheap products.
 - (C) The retail outlet should choose a location that is high in traffic volume of potential customers.
 - (D) As long as the retail outlet has good renovation designs to attract its customers; other factors become less important.
- (18) Assuming that you are the newly appointed Marketing Director of Nike. You and your team would like to produce a short video clip advertisement by using the local people in Egypt. Which of the followings are the **most important** factor that determines your decision?
- (A) The political policies of the Egypt 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 social norms of the local society.

- (19) Select the **correct** statement.
- (A) Jobbing production – Example: the production of Kitkat chocolate
 - (B) Mass production – Example: the production of Samsung Note 8, Gold
 - (C) Batch production – Example: the production of I-Phone X, White
 - (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 various methods of selection, **except**:
- (A) Recruitment
 - (B) Interview
 - (C) Application form
 - (D) Test
- (22) The Management Accounting consists of the following areas, **except**:
- (A) budgetary planning and control
 - (B) long term investment
 - (C) investment evaluation
 - (D) data processing and breakeven control
- (23) Identify the example for short-term expenditure.
- (A) Trade credit
 - (B) Factoring account
 - (C) Inventories
 - (D) Promissory note

- (24) All the followings are short-term source of fund, **except**:
- (A) Long term borrowing
 - (B) Commercial papers
 - (C) Line of credit
 - (D) Revolving Credit Agreement
- (25) Debt financing is preferred than equity financing when
- (A) the interest in equity financing is too high.
 - (B) the organisation does not have sufficient reserves to finance its investment.
 - (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) List **five (5)** concepts of business. (5 marks)
- (b) With relevant examples, discuss **four (4)** importance of business to the individual, society and the nation. (20 marks)

Question 2

- (a) List and explain in detail the **four (4)** components of marketing mix. Provide an example for each component. (16 marks)
- (b) Discuss **three (3)** types of segmentation in marketing. (9 marks)

Question 3

With suitable examples, discuss **five (5)** external environment that affect an organisation.

(25 marks)

Question 4

- (a) Discuss **four (4)** methods to recruit employees externally. (16 marks)
- (b) Discuss **three (3)** examples in the area of compensation. (9 marks)

