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	<b>FINAL TERM EXAMINATION</b> SPRING 2007 MGT211 - INTRODUCTION TO BUSINESS (Session - 4 )	Marks: 60 Time: 120min
Question No: 1 ( Marks: 1 ) - Please choose one		
<p>When the amount of government spending exceeds the amount of revenues, the result is called:</p> <ul style="list-style-type: none"><li>▶ Trade deficit</li><li>▶ Budget deficit</li><li>▶ Balance of payment</li><li>▶ Opportunity cost</li></ul>		
Question No: 2 ( Marks: 1 ) - Please choose one		
<p>What characteristic motivate a person to start his own business?</p> <ul style="list-style-type: none"><li>▶ Earning large incomes</li><li>▶ Being his own boss</li><li>▶ Challenge</li><li>▶ All of the given options</li></ul>		
Question No: 3 ( Marks: 1 ) - Please choose one		
<p>Firms can ensure responsibility to customers by:</p> <ul style="list-style-type: none"><li>▶ Safe manufacturing techniques</li><li>▶ Proper disposal of waste</li><li>▶ Seeking feedback about product</li><li>▶ Full financial disclosure</li></ul>		

Question No: 4 ( Marks: 1 ) - Please choose one

The position of “chief financial officer” is considered to be a:

- ▶ Supervisory position
- ▶ Top management position
- ▶ First-line management position
- ▶ Bottom-line position

Question No: 5 ( Marks: 1 ) - Please choose one

The reinforcement theory that motivates employees by encouraging them to behave in a manner that avoids unfavorable consequences is \_\_\_\_\_ reinforcement.

- ▶ Positive
- ▶ Neutral
- ▶ Equity
- ▶ Negative

Question No: 6 ( Marks: 1 ) - Please choose one

A Rolex watch and Mercedes car are considered:

- ▶ Convenience products
- ▶ Shopping goods
- ▶ Specialty products
- ▶ Industrial products

Question No: 7 ( Marks: 1 ) - Please choose one

One way to accelerate the distribution process is to make sure that it is integrated with \_\_\_\_\_ process.

- ▶ Marketing

- ▶ Financing
- ▶ Advertising
- ▶ Production

Question No: 8 ( Marks: 1 ) - Please choose one

Even a company's product is properly produced, priced and distributed, it still needs to be:

- ▶ Manufactured
- ▶ Graded
- ▶ Promoted
- ▶ Market tested

Question No: 9 ( Marks: 1 ) - Please choose one

\_\_\_\_\_ is a management approach for an organization, centered on quality, based on the participation of all its members and aiming at long-term success through customer satisfaction and benefits to all members of the organization and to society.

- ▶ Total quality management
- ▶ Project management
- ▶ Personnel management
- ▶ Strategic planning

Question No: 10 ( Marks: 1 ) - Please choose one

Information-systems applications, based on telecommunication technologies, that use networks of appliances or devices to communicate information by electronic means are:

- ▶ Electronic information technologies
- ▶ Management information systems

- ▶ Information management
- ▶ Transaction processing systems

Question No: 11 ( Marks: 1 ) - Please choose one

Effective marketing are intended to affect the firm's:

- ▶ Financial leverage
- ▶ Social responsibility
- ▶ Strategic plan
- ▶ Cash inflows

Question No: 12 ( Marks: 1 ) - Please choose one

Arrangement whereby selected professional providers offer services at reduced rates and permit thorough review of their service recommendations is:

- ▶ Health maintenance organization
- ▶ Preferred provider organization
- ▶ Point-of-service
- ▶ Health Insurance

Question No: 13 ( Marks: 1 ) - Please choose one

Process of conserving the firm's earning power and assets by reducing the threat of losses due to uncontrollable events is:

- ▶ Risk Avoidance
- ▶ Risk Management
- ▶ Risk Control
- ▶ Risk Transfer

Question No: 14 ( Marks: 1 ) - Please choose one

\_\_\_\_\_ requires that expenses incurred in producing revenues be deducted from the revenue they generated during the same accounting period in order to accurately present the profitability of a business.

- ▶ Revenue Recognition
- ▶ Full Disclosure
- ▶ Matching principle
- ▶ Solvency Ratios

Question No: 15 ( Marks: 1 ) - Please choose one

According to \_\_\_\_\_ principle, organizations should be able to retain or dismiss employees at their discretion.

- ▶ Employment-at-Will
- ▶ Hostile work environment
- ▶ Workforce Diversity
- ▶ Knowledge Worker

Question No: 16 ( Marks: 1 ) - Please choose one

Capital is the lifeblood of every business and is the most essential and important element of business.

- ▶ True
- ▶ False

Question No: 17 ( Marks: 1 ) - Please choose one

A job specification states the credentials necessary to qualify for a job.

- ▶ True
- ▶ False

Question No: 18 ( Marks: 1 ) - Please choose one

Properly planned pricing that is often much more than guesswork can sink even a firm with a good product.

- ▶ True
- ▶ False

Question No: 19 ( Marks: 1 ) - Please choose one

Total quality management broadens management concern beyond the immediate product.

- ▶ True
- ▶ False

Question No: 20 ( Marks: 1 ) - Please choose one

ISO 9000 is a certification program attesting to the fact that a factory, laboratory or an office has improved its environmental performance.

- ▶ True
- ▶ False

Question No: 21 ( Marks: 1 )

A \_\_\_\_\_ is an organization operated with the objective of making a profit from the sale of goods or services.

Question No: 22 ( Marks: 1 )

The liability of each member in cooperative society is \_\_\_\_\_ to the share capital, which he invested.

Question No: 23 ( Marks: 1 )

High productivity gives a company a \_\_\_\_\_ because its costs are lower than those of other companies.

Question No: 24 ( Marks: 1 )

\_\_\_\_\_ is a movement made with a part of the body in order to express meaning or emotion or to communicate information.

Question No: 25 ( Marks: 1 )

A solvency ratio that determines a firm's credit worthiness by measuring its ability to pay current liabilities is called \_\_\_\_\_.

Question No: 26 ( Marks: 5 )

Discuss any five "rights of partners" according to Partnership Act, 1932.

Question No: 27 ( Marks: 5 )

Differentiate between a product line and a product mix.

Question No: 28 ( Marks: 5 )

Why is non-verbal communication important along with verbal communication?



Question No: 29 ( Marks: 10 )

“Elderly Instruments” is a company that sells musical instruments, cassettes, and CDs. Elderly has previously used mail-order catalogs to sell its products but making changes in the catalogs is expensive and time consuming. Now the company has listed its products on its website so that customers can order products online. Customers can e-mail orders, which are filled immediately. The website can be adjusted daily to change product offerings. The website is set up so that it provides information quickly because customers who use online services do not tolerate slow websites. The web servers provide reports to Elderly about which products are receiving the most attention (which products receive the most hits). Thus, Elderly is accumulating information about customer profiles and what customers like.

Questions:

(3, 4, 3)

- 1) Explain how technology has improved Elderly’s ability to communicate its product offerings.
- 2) Explain how technology has increased the number of potential customers who may purchase products from Elderly.
- 3) Explain how technology has increased Elderly’s ability to learn what its customers want.

Question No: 30 ( Marks: 10 )

Discuss accounting and accounting information system. Describe the usage of accounting information by various stakeholders of a business organization.

(5, 5)