

SC1011
WASSCE 2021R
BUSINESS
MANAGEMENT 1
Objective Test
1 hour

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- ❖ PAST QUESTIONS
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THE WEST AFRICAN EXAMINATIONS COUNCIL
West African Senior School Certificate Examination
for School Candidates

SC 2021R

BUSINESS MANAGEMENT 1

1 hour

OBJECTIVE TEST

[50 marks]





Do **not** open this booklet until you are told to do so. While you are waiting, read and observe the following instructions carefully. Write your **name** and **index number** in ink in the spaces provided above.

1. Use **2B** pencil throughout.
2. On the pre-printed answer sheet, check that the following details are **correctly** printed:
 - (a) In the space marked *Name*, check your **surname** followed by your **other names**.
 - (b) In the spaces marked *Examination*, *Year*, *Subject* and *Paper*, check 'WASSCE', 'SC 2021', 'BUSINESS MANAGEMENT', and '1' in that order.
 - (c) In the box marked *Index Number*, your **index number** has been printed vertically in the spaces on the left-hand side, and each numbered space has been shaded in line with each digit. **Reshade** each of the shaded spaces.
 - (d) In the box marked *Subject Code*, the digits 101112 are printed vertically in the spaces on the left-hand side. **Reshade** the corresponding numbered spaces as you did for your index number.
3. An example is given below. This is for a male candidate whose *name* is Adams Smith ACKAH. His *index number* is 7102143958 and he is offering *Business Management 1*.

THE WEST AFRICAN EXAMINATIONS COUNCIL
ANSWER SHEET

PRINTED IN BLOCK LETTERS.		GHA	
Name:	ACKAH ADAMS SMITH		
Examination:	WASSCE	Year:	SC 2021
Subject:	BUSINESS MANAGEMENT	Paper:	1

INSTRUCTIONS TO CANDIDATES

1. Use grade 2B pencil throughout.
2. Answer each question by choosing one letter and shading it like this:     
3. Erase completely any answer you wish to change.
4. Leave extra spaces blank if the answer spaces provided are more than you need.
5. Do not make any **markings** across the **heavy** black marks at the **right hand edge** of your answer sheet.

INDEX NUMBER		SUBJECT CODE	
7	0 1 2 3 4 5 6 7 8 9	1	0 1 2 3 4 5 6 7 8 9
1	0 1 2 3 4 5 6 7 8 9	0	0 1 2 3 4 5 6 7 8 9
0	0 1 2 3 4 5 6 7 8 9	1	0 1 2 3 4 5 6 7 8 9
2	0 1 2 3 4 5 6 7 8 9	1	0 1 2 3 4 5 6 7 8 9
1	0 1 2 3 4 5 6 7 8 9	1	0 1 2 3 4 5 6 7 8 9
4	0 1 2 3 4 5 6 7 8 9	2	0 1 2 3 4 5 6 7 8 9
3	0 1 2 3 4 5 6 7 8 9		
9	0 1 2 3 4 5 6 7 8 9		
5	0 1 2 3 4 5 6 7 8 9		
8	0 1 2 3 4 5 6 7 8 9		

For Supervisors only
If candidate is absent
shade this space. ☐

Answer **all** the questions.

Each question is followed by **four** options lettered A to D. Find the **correct** option for **each** question. Shade in **pencil** on your answer sheet the answer space which bears the same letter as the option you have chosen. Give only **one** answer to **each** question. An example is given below.

The risk bearers in the operation of a limited liability company are the

- A. preference shareholders.
- B. board of directors.
- C. ordinary shareholders.
- D. debenture holders.

The correct answer is ordinary shareholders which is lettered C and therefore answer space C would be shaded.

☐ A ☐

☐ B ☐

☒ C ☐

☐ D ☐

Think carefully before you shade the answer spaces; erase completely any answers you wish to change.

Do all rough work on this question paper.

Now answer the following questions.

1. An example of lower level management is
 - A. Board Chairman.
 - B. Chief Executive Officer.
 - C. Marketing Director.
 - D. Store Manager.
2. The donation of hospital equipment by a business organization is referred to as
 - A. ethical responsibility.
 - B. economic responsibility.
 - C. legal responsibility.
 - D. social responsibility.
3. The insurance principle which does **not** allow Mr T to insure Mr B's car is
 - A. contribution.
 - B. insurable interest.
 - C. subrogation.
 - D. utmost good faith.
4. An item of government recurrent expenditure is
 - A. collection of taxes.
 - B. compensation for employees.
 - C. construction of dams.
 - D. expansion of roads.
5. Deduction from employees' earnings by government is
 - A. a capital gains tax.
 - B. a direct tax.
 - C. an indirect tax.
 - D. a specific tax.

6. Which of the following management functions ensures that actual performance conforms to set standards?
- A. Controlling
 - B. Directing
 - C. Organizing
 - D. Planning
7. Which of the following terms is a technique used to urge employees to work towards the achievement of a goal?
- A. Communication
 - B. Co-ordination
 - C. Delegation
 - D. Motivation
8. The display unit of a computer is the
- A. keyboard.
 - B. monitor.
 - C. mouse.
 - D. printer.
9. One function of the Human Resource Department is to
- A. prepare budgets.
 - B. enforce discipline.
 - C. pay taxes.
 - D. prepare payroll.
10. An example of restriction in international trade is
- A. contraband.
 - B. countertrade.
 - C. mortgage.
 - D. quota.
11. Which component of a computer performs the function of producing hard copies of information?
- A. Disc
 - B. Hardware
 - C. Memory
 - D. Printer
12. One economic reason which prompts countries to integrate regionally is
- A. having a strong political voice on the global platform.
 - B. the avoidance of ethnic conflicts.
 - C. the attraction of investments across nations.
 - D. the duplication of production facilities.
13. The scheduling of work to be performed in the factory is made by
- A. Factory hand.
 - B. Managing Director.
 - C. Marketing Manager.
 - D. Production Manager.
14. Decisions made by the administrative clerk are
- A. non-programmed.
 - B. routine.
 - C. strategic.
 - D. tactical.

Turn over

15. Which of the following conditions results in a valid contract?
- A. Acceptance only
 - B. Agreement
 - C. Counter offer
 - D. Offer only
16. By keeping proper business records an entrepreneur would be able to
- A. learn from big businesses.
 - B. monitor his cash flow.
 - C. pay high salaries.
 - D. prevent theft.
17. Which of the following factors constitute a barrier to communication?
- A. Decoding
 - B. Clear instructions
 - C. Simple language
 - D. Jargon
18. Consideration in law, need not be adequate but must
- A. be expensive.
 - B. be passed.
 - C. have value.
 - D. move from the promisee.
19. The technique of setting the price of a new product above the prevailing market price is
- A. discriminatory pricing.
 - B. penetration pricing.
 - C. promotion pricing.
 - D. skimming pricing.
20. Policy makers in an organization are the
- A. line managers.
 - B. lower level management.
 - C. middle level management.
 - D. top level management.
21. Mrs Brown presented a cheque dated March 20, 2018 at the bank on December 20, 2018. She was **not** paid because the cheque
- A. had become stale.
 - B. had two dates.
 - C. was crossed.
 - D. was not endorsed.
22. Contractual obligation is created through
- A. acceptance and capacity.
 - B. capacity and consideration.
 - C. offer and acceptance.
 - D. offer and consideration.
23. One reason for the existence of small businesses is to
- A. break the chain of production.
 - B. compete with large businesses.
 - C. keep production lines.
 - D. serve customers conveniently.

24. When a company is listed on the Stock Exchange, its
- shares can be traded publicly.
 - financial transactions take place on the stock exchange.
 - prospectus can be withdrawn from circulation.
 - securities can be purchased at the Central Bank.
25. Which of the following processes is a control measure in Human Resource Management?
- Job description
 - Job rotation
 - Performance appraisal
 - Selection interview.
26. Mr Yeng decided to sell his second hand lorry for GH¢ 4,000.00. Ms Bani offered to pay GH¢ 3,900.00. Ms Bani's response constitutes
- counter offer.
 - acceptance.
 - cross offer.
 - obligation.
27. A neutral party who settles a dispute between management and workers is
- an arbitrator.
 - a convener.
 - a liquidator.
 - a promoter.
28. The section of a business plan that focuses on how a business would make its money is
- analysis of the industry.
 - description of the business.
 - financial plan.
 - production activities.
29. A document used by a company to raise capital is
- brochure.
 - deed.
 - catalogue.
 - prospectus.
30. Advertising is effective when
- it increases sales.
 - it is carried out passively.
 - it is done through billboards.
 - jargons are used.
31. Balance of payments refer to the difference in the total
- value of exports and imports.
 - value of invisible exports and imports.
 - volume of invisible exports and imports.
 - volume of exports and imports.
32. Stock exchange is a specialized market which deals in
- existing securities.
 - government securities.
 - new securities.
 - treasury bills.

Turn over

33. Trade across international boundaries is described as
- A. domestic trade.
 - B. foreign trade.
 - C. retail trade.
 - D. wholesale trade.
34. The scalar principle implies
- A. authority to delegate.
 - B. chain of command.
 - C. no accountability.
 - D. taking instructions from one superior.
35. The maximum amount a company can raise by issuing shares is
- A. authorized capital.
 - B. fixed capital.
 - C. nominal capital.
 - D. paid-up capital.
36. One benefit of planning as a management function is that it
- A. hinders progress.
 - B. eliminates risk.
 - C. minimizes uncertainty.
 - D. impedes performance.
37. The cost of advertisement is ultimately borne by the
- A. agent.
 - B. consumer.
 - C. producer.
 - D. retailer.
38. When a manager signs cheques, he is performing a
- A. figurehead role.
 - B. liaison role.
 - C. monitor role.
 - D. negotiator role.
39. A bill of exchange is drawn by the
- A. banker.
 - B. creditor.
 - C. debtor.
 - D. payee.
40. A rise in the bank rate
- A. encourages people to borrow.
 - B. discourages investment.
 - C. increases the demand for consumer goods.
 - D. provides employment.
41. The aspect of management that is concerned with the interpretation and implementation of organizational policies is
- A. administration.
 - B. control.
 - C. co-ordination.
 - D. planning.

42. The term *prompt delivery* in a quotation means
- delivery could be made after the damaged vans have been repaired.
 - the goods are being expected and could be supplied in few days.
 - the goods are ready and could be supplied as soon as the order is received.
 - the goods are out of stock and could be supplied at a future date.
43. Boredom and loss of craftsmanship are two disadvantages of
- customization.
 - standardization.
 - specialization.
 - socialization.
44. Which of the following documents is used in international trade?
- Advice note
 - Indent
 - Invoice
 - Purchase order
45. The purpose of a business is to produce goods and services with the intention of
- enjoying economies of scale.
 - making profit.
 - paying taxes.
 - improving society.

Use the following information to answer questions 46 to 48.

Mr Mensah consigned 100 bags of maize to Madam Johnson through a truck driver. There was a heavy down pour while transporting the maize. The driver had to sell the maize to prevent it from going bad after the down pour. The proceeds were presented to Madam Johnson the next day, but she refused to pay the full transport cost to the driver.

46. What law describes the relationship between Madam Johnson and the driver?
- Agency
 - Contract
 - Negotiable instrument
 - Sale of good
47. The relationship between Madam Johnson and the driver was as a result of
- cohabitation.
 - estoppel.
 - necessity.
 - ratification.
48. What right can the driver exercise? To
- demand his money from Madam Johnson
 - request Mr Mensah to pay him
 - refund the proceeds to Mr Mensah
 - retrieve the maize from the buyers
49. The process of finding suitable workers to fill job vacancies is
- job description.
 - job evaluation.
 - placement.
 - recruitment.

50. The function of a stock exchange is to
- A. do barter trade.
 - B. exchange goods and services.
 - C. recruit employees.
 - D. trade in securities.

END OF PAPER