1. One feature of a 'free market system' is that

(A) competition is decreased among producers
(B) the government is the major controller of decision-making
(C) producers are allowed to supply what the consumer wants
(D) both the government and producers are involved in decision-making

2. Private enterprise is run MAINLY to

(A) create profits
(B) reduce inflation
(C) distribute goods and services
(D) provide jobs for more people

3. The policies of a company are usually formulated by the

(A) auditors
(B) directors
(C) managers
(D) shareholders

4. Which of the following types of business environments is MOST typical of the Commonwealth Caribbean?

(A) Corporate state
(B) Mixed economy
(C) Centrally planned
(D) Perfectly competitive

5. Which of the following are advantages of a sole trader?

I. Ease of setting up.
II. Profits are not shared.
III. Flexible working hours.

(A) I and II only
(B) I and III only
(C) II and III only
(D) I, II and III

6. The management team of Scoot Motor has discovered that the productivity levels of workers have fallen. The team met and without consulting the workers took a decision to shorten the coffee break and lunch period.

What leadership style has the management team utilized in making its decision?

(A) Autocratic
(B) Democratic
(C) Charismatic
(D) Laissez-faire

7. In a business, the term 'span of control' refers to the number of

(A) levels of authority
(B) persons in the organization
(C) supervisors to whom a subordinate reports
(D) subordinates for which a supervisor is responsible

8. The MAIN purpose of installing a suggestion box in a company is to get workers' views on

(A) each other
(B) other companies
(C) ways of improving the workplace
(D) ways of improving economic conditions

9. Which of the following is NOT an activity in the planning process?

(A) Setting goals
(B) Establishing policies
(C) Identifying resources
(D) Delegating responsibilities

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10. Which of the following is a form of industrial action in which trade unions are MOST likely to ask workers to participate?

(A) Work to rule
(B) Arbitration
(C) Bargaining
(D) Mediation

11. Which of the following is NOT a function of management?

(A) Controlling the use of funds
(B) Delegating work to subordinates
(C) Coordinating the work of employees
(D) Determining investment options for employees

12. Which of the following is a regulatory requirement for an entrepreneur?

(A) Using a credit card to transact business
(B) Offering hire-purchase options to customers
(C) Paying national insurance to the government
(D) Advertising the business locally and regionally

13. The condensed version of the business plan is contained in the

(A) executive summary
(B) keynote summary
(C) marketing plan
(D) feasibility plan

14. An analysis of the viability of a business idea and an examination of the different aspects of operating a business is known as a

(A) business plan
(B) market survey
(C) feasibility study
(D) research proposal

15. Cash used to secure a loan at the bank is referred to as

(A) collateral
(B) fixed assets
(C) current assets
(D) fixed deposits

16. An entrepreneur may reduce his risk of loss by

(A) planning ahead
(B) securing bank loans
(C) sponsoring community projects
(D) purchasing additional fixed assets

17. The monthly payments made to an insurance company by its policyholders are known as

(A) deposits
(B) premiums
(C) instalments
(D) endowments

18. The principle of insurance where individuals would be compensated for damages or losses incurred is referred to as

(A) indemnity
(B) proximate cause
(C) insurable interest
(D) the pooling of risks

19. A 'purchase order' is a

(A) request for additional goods
(B) notification of goods received
(C) statement of outstanding debts
(D) document offering to buy goods

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20. Which of the following factors prevent(s) an agreement from being considered a valid contract?

(A) Consideration
(B) Legal purpose
(C) Misrepresentation
(D) Offer and acceptance

21. Which of the following is an example of extractive production?

(A) Tourism
(B) Agriculture
(C) Manufacturing
(D) Communication

22. Which of the following are NOT linkage industries?

(A) Fishing and farming
(B) Agriculture and tourism
(C) Sugar and confectionery
(D) Lumber and boat building

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23. In the Caribbean, many people are hired for sugarcane farming and very little equipment is used. This industry can BEST be described as

(A) labour intensive
(B) capital intensive
(C) having low capital input
(D) having high capital input

24. Productivity can be measured by

(A) $\frac{\text{Inputs}}{\text{Outputs}}$

(B) $\frac{\text{Inputs}}{\text{Revenue}}$

(C) $\frac{\text{Outputs}}{\text{Inputs}}$

(D) $\frac{\text{Revenue}}{\text{Outputs}}$

25. Labour is BEST defined as the

(A) physical and mental capabilities used to perform tasks
(B) ability to carry out management functions effectively
(C) level of skills training received by individuals who are working
(D) total number of persons who hold jobs in government ministries

26. Which of the following activities is MOST likely undertaken in a cottage industry?

(A) Building of boats
(B) Bottling of soft drinks
(C) Making of sugar cakes
(D) Repairing of computers

27. Which of the following are examples of fixed capital?

(A) Cash balances
(B) Bank balances
(C) Plant and machinery
(D) Stocks of raw material

28. The producers of Power Drink created an advertisement which promoted their drink as being superior to Energy Plus Drink, produced by another business. This type of advertisement is referred to as

(A) collective
(B) persuasive
(C) informative
(D) competitive

29. Rich Chocolates Ltd erected a tent in several supermarkets for the purpose of exhibiting all the company's products. This activity is referred to as

(A) retailing
(B) advertising
(C) merchandising
(D) public relations

30. Which of the following operations is an example of sales promotion?

(A) Warehousing
(B) Free sampling
(C) Servicing goods
(D) Gathering information

31. Which of the following are functions of packaging?

I. Protects the product
II. Preserves the product
III. Promotes the product

(A) I and II only
(B) I and III only
(C) II and III only
(D) I, II and III

32. In marketing, a 'market' is BEST described as

(A) the reason for the elimination of barter
(B) a situation where buyers and sellers interact
(C) a place where various types of fruits and vegetables are sold
(D) the management process responsible for satisfying customers' demands

33. John has sought permission to prevent the local art gallery from reproducing and selling his paintings. This legal means of protecting his work is referred to as a

(A) patent
(B) brand
(C) copyright
(D) franchise

34. Which of the following factors is LEAST likely to influence consumer behaviour?

(A) Product price
(B) Brand loyalty
(C) Quality of goods
(D) Place of residence

35. Which of the following is NOT a **major** function of a retailer?

(A) Preparing goods for resale
(B) Selling goods in small quantities
(C) Providing a local supply of goods
(D) Transporting goods to suitable storage facilities

36. A global positioning system (GPS) provides

(A) firms with the capability to manage their inventories and reduce expenses
(B) satellite tracking services that can be used in commercial and personal applications
(C) saving options to firms by increasing the efficiency of their management information systems
(D) simulation services to help designers avoid waste by creating models to assist manufacturers in making business decisions

37. In business, logistics is defined as

(A) managing data from conception, production and storage to retrieval
(B) using all systems to move an idea from conception to production and then sales
(C) managing resources from the point of acquisition, storage, and transportation to their final destination
(D) formulating a business idea, systematically gathering data, then following through to production

38. Which of the following documents issued by a carrier or its agent shows ownership of imported goods?

(A) Bill of lading
(B) Import licence
(C) Letter of credit
(D) Bill of exchange

39. Which of the following is the **final** step in a supply chain operation?

(A) Transformation of natural resources into finished products
(B) Movement to and storage of raw materials in the warehouse
(C) Processing of raw materials and components into finished goods
(D) Delivering the finished product from point of origin to point of destination

40. JB Auto Company decided to export car engines from Barbados to Trinidad. Which of the following methods is BEST suited for transporting the engines?

(A) Air
(B) Sea
(C) Rail
(D) Road

41. Which of the following entities can have their shares traded on the stock exchange?

(A) Partnerships
(B) Public companies
(C) Private companies
(D) Co-operative societies

42. A debenture holder is one who

(A) is paid a fixed rate of interest if the company makes profits
(B) must be paid any amounts owing to him in the following year
(C) has first claim on any profits and is paid a fixed rate of dividends
(D) is entitled to a fixed rate of interest whether or not the company makes profits

43. The stock market is associated with

(A) costs and prices
(B) risks and benefits
(C) rents and investments
(D) premiums and rewards

44. Mrs Jones has several bills of fixed amounts to pay each month. She made an arrangement with her bank to make these monthly payments from her account. This service, provided by the bank, is referred to as

(A) an overdraft
(B) a fixed deposit
(C) a standing order
(D) a letter of credit

45. Mia would like to protect her passport, birth certificate and jewellery. Which of the following commercial bank services should she use?

(A) Online banking
(B) Safety deposit box
(C) Night safe facilities
(D) Automatic teller machine

46. Investment can be defined as

(A) the amount of capital owned by the government
(B) the amount of money available at a given time
(C) additions to the capital stock of a country
(D) the stock of goods in a country

47. The provision of social services by a government does NOT include

(A) tax refunds
(B) health clinics
(C) education and training
(D) transportation facilities

48. The success of a government's economic policies can be MOST effectively measured by

(A) an increase in the level of policies
(B) an increase in the standard of living
(C) a decrease in the level of employment
(D) a decrease in the volume of production

49. The central bank is owned and controlled by the

(A) government
(B) shareholders
(C) public sector
(D) country's citizens

50. Which of the following statements accurately describes taxation as a means of redistributing incomes?

(A) The rich pay taxes and the poor do not.
(B) Tax is used to distribute income more efficiently throughout the country.
(C) Tax is used to spread income evenly between higher and lower income earners.
(D) Higher income earners are taxed at a higher rate so as to provide benefits to lower income earners.

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59. Which of the following practices would contribute to the economic growth and development of a country?

(A) Increased importation of consumer goods
(B) Decreased use of the country's natural resources
(C) Exporting skilled personnel to developed countries
(D) Provision of loans and technical assistance for establishing local businesses

60. The buying and selling of goods and services among countries is called

(A) balance of trade
(B) international trade
(C) balance of payments
(D) international marketing

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END OF TEST

IF YOU FINISH BEFORE TIME IS CALLED, CHECK YOUR WORK ON THIS TEST.