

QUESTIONS

THE BUSINESS ORGANISATION

- 1 Which of the following best describes a public limited company?**
- A 75% of its shares are owned by the general public
 - B The government owns 51% of the shares
 - C The company is wholly owned by its workers
 - D The company's shares could be sold to the general public via a stock exchange flotation **(2 marks)**
- 2 A key advantage of a business becoming a limited company, rather than operating as a sole trader or a partnership is:**
- A Lower tax bill
 - B Lower running costs
 - C Limited liability
 - D Greater credit granted by suppliers **(2 marks)**
- 3 A company often changes its legal status from private to public in order to:**
- A Increase its attractiveness to the public and to potential employees
 - B Raise finance by obtaining a bank loan
 - C Promote the status of its directors
 - D Raise money from the public **(2 marks)**
- 4 Organisations are often referred to as not-for-profit because:**
- A They are unable to generate sufficient income to cover their expenditure
 - B Ensuring there is a surplus of income over expenditure is not seen as part of their criteria for success
 - C Profitability is not their most important organisational objective
 - D They are all governmentally owned and only focus on spending funds **(2 marks)**
- 5 Which of the following statements regarding non-governmental organisations (NGOs) is correct?**
- A NGOs are usually directly controlled by the government
 - B NGOs often have profit as a main objective
 - C NGOs often promote political, social or environmental change
 - D NGOs are usually owned and democratically controlled by their members **(2 marks)**

- 6** S jointly owns and runs an organisation with R, called HHH. An unhappy customer has recently decided to sue HHH for £1m. S and R have been informed by their legal team that if the customer is successful, they will each be personally liable to pay half of the damages.

What type of organisation is HHH likely to be?

- A** Sole trader
- B** Partnership
- C** Public limited company
- D** Private limited company

(2 marks)

- 7** Which of the following statements is/are correct?

- (i) Businesses, charities and clubs are a not-for-profit part of the private sector
- (ii) Co-operatives usually share any profits they make between their members

- A** (i) only
- B** (ii) only
- C** Both
- D** Neither

(2 marks)

BUSINESS ORGANISATION AND STRUCTURE

- 8** When an organisation restructures in order to obtain the benefits of specialisation and achieve economies of scale, which of the following structures is it most likely to adopt?
- A Geographical
 - B Matrix
 - C Divisional/product
 - D Functional
- (2 marks)**
- 9** Which of the following statements is/are correct?
- (i) A divisional structure leaves top management free to concentrate on strategic matters rather than get involved in the day to day operations of each division.
 - (ii) Product divisionalisation would allow the company to accumulate appropriate technical expertise whilst at the same time giving sufficient focus to each of its product lines.
- A (i) only
 - B (ii) only
 - C Both
 - D Neither
- (2 marks)**
- 10** Strategic planning within a large multinational company would be concerned with:
- A Policies and regulations to be used by its various departments
 - B Identifying how the operational environment is likely to change in the future
 - C Devising budgets and plans for its divisions
 - D Overseeing whether strategies are correctly implemented in daily operations
- (2 marks)**
- 11** Dual reporting lines are a feature of which organisational structure?
- A Matrix
 - B Functional
 - C Entrepreneurial
 - D Geographical
- (2 marks)**

- 12 Which method of co-ordination would be most practical in an entrepreneurial organisational structure?**
- A Budget-setting process
 - B Standardisation of output
 - C Direct supervision
 - D Standardised working processes **(2 marks)**
- 13 F plc has outsourced the majority of its functions to third party organisations – including a number of functions classed as ‘core’. Which of the following terms best describes F’s structure?**
- A Offshored
 - B Virtual
 - C Hollow
 - D Modular **(2 marks)**
- 14 Price skimming refers to a pricing strategy that involves which of the following?**
- A Capturing the bulk of potential sales early through very attractive pricing
 - B Requiring customers to buy two products – the first cheap, the second expensive
 - C High prices initially and lower prices later
 - D Selling one product at a loss expecting customers to buy other more profitable products **(2 marks)**
- 15 The AIDA sequence is aimed at which of the following?**
- A Increased use of a combination of different promotional techniques as part of their “promotional mix”
 - B Increasing awareness of the product
 - C Moving customers along from Awareness to Action
 - D Aiding in making selling price decisions **(2 marks)**
- 16 The strategic marketing process consists of which of the following activities?**
- A Needs analysis/Segmentation/Company competitive audit
 - B Environmental analysis/Product positioning analysis/Implementation
 - C Segmentation/Strengths and Weaknesses/Implementation
 - D Strategic analysis / Strategic choice / Strategy implementation **(2 marks)**

ORGANISATIONAL CULTURE IN BUSINESS

- 17** Employees in country U tend to prefer working for bureaucratic businesses. They expect there to be a large number of powerful managers who will provide guidance on a day-to-day basis.

Which of the following traits, as identified by Hofstede, are these staff members displaying?

- A Masculinity
- B Low power-distance
- C Collectivism
- D High uncertainty avoidance **(2 marks)**

- 18** Which writer on culture argued that the first leaders of a company create the culture and that it is essential that leaders understand the culture of an organisation?

- A Handy
- B Hofstede
- C Mullins
- D Schein **(2 marks)**

- 19** Which of the four cultural types identified by Handy is often associated with the matrix structure?

- A Power
- B Role
- C Task
- D Person **(2 marks)**

- 20** Which of the following statements is/are correct?

- (i) Within a formal organisation an informal organisation will be present.
- (ii) The informal organisation can either enhance or hold back the business.

- A (i) only
- B (ii) only
- C Both
- D Neither **(2 marks)**

21 If managers choose to work with the informal groups within their department which of the following is likely?

- A** Lower levels of motivation and productivity
- B** Higher levels of motivation and productivity
- C** A reduction in the perceived authority of the managers
- D** A tendency for employees to attach less weight to formal forms of communication

(2 marks)

INFORMATION TECHNOLOGY AND INFORMATION SYSTEMS IN BUSINESS

- 22 Computers have revolutionised information systems for which of the following reasons?**
- A Accessibility/Cost/Volume
 - B Adaptability/Presentation/Speed
 - C Simplicity/Accuracy/Cost
 - D Complexity/Presentation/Accuracy **(2 marks)**
- 23 The qualities of good information are represented by which of the following mnemonics?**
- A Relevant
 - B Comprehensive
 - C Accurate
 - D Authoritative **(2 marks)**
- 24 Expert systems are widely used in which of the following fields?**
- A Government/Local authorities/NHS Trusts
 - B Law/Medicine/Banking
 - C Dentistry/Manufacturing/Aerospace
 - D Retailing/Wholesaling/Distribution **(2 marks)**
- 25 Which of the following statements is/are correct?**
- (i) Decision-support systems contain databases of knowledge and can be used to automate manual decision-making processes, such as for example processing bank loan applications online.
 - (ii) The Transaction Processing System (TPS) database is the source of raw information for both Executive Information Systems (EIS) and Decision Support Systems (DSS).
- A (i) only
 - B (ii) only
 - C Both
 - D Neither **(2 marks)**

STAKEHOLDERS

- 26 Stakeholder “plotting” or “mapping” is used to:**
- A Identify the dominant stakeholder
 - B Group stakeholders in size bands
 - C Identify the largest stakeholders
 - D Locate stakeholders geographically **(2 marks)**
- 27 Employees in GFF plc are heavily unionised. GFF has recently announced plans to restructure its business, leading to the loss of around fifteen percent of its workforce.**
- According to Mendelow’s matrix, what approach should GFF adopt to managing its employees?**
- A Minimal effort
 - B Key players
 - C Keep satisfied
 - D Keep informed **(2 marks)**
- 28 Which of the following classifications of stakeholders refers to anyone that has a formal contractual relationship with the organisation?**
- A Secondary
 - B External
 - C Primary
 - D Connected **(2 marks)**

EXTERNAL ANALYSIS - POLITICAL AND LEGAL FACTORS

29 Which of the following would a large retailer monitor under the Political heading as part of a PEST analysis?

- A Interest rates/State of the economy/Oil price movements
- B VAT legislation/Changes to planning regulations/Food labelling
- C Predicted shopping patterns/Public concerns over small retailers
- D Developments in till manufacture/Automated analysis of shopping patterns **(2 marks)**

30 Which of the following statements is/are correct?

- (i) An employee has a duty to consider the health and safety of other people who may be affected by his or her actions.
- (ii) Data protection refers to keeping data safe from physical and human hazards.

- A (i) only
- B (ii) only
- C Both
- D Neither **(2 marks)**

31 H has recently employed a builder to perform some repairs to her house. The work was completed on time, but upon inspection, H found that the work done was of very poor quality. The builder has also sent H an invoice for slightly more than the amount he had originally, verbally quoted for the work.

Which of the following is likely to be a reason that H would be able to dispute the invoice under consumer protection legislation?

- A The work was more expensive than originally quoted
- B The repairs should have been undertaken in a reasonable length of time
- C The work should have been carried out with reasonable skill and care
- D The original quote was only given verbally **(2 marks)**

EXTERNAL ANALYSIS - ECONOMIC FACTORS

- 32 A product has a price elasticity of demand of 1. If prices rise by 5%, what will the impact be on the number of units sold?**
- A The number of units sold will rise by more than 5%
 - B The number of units sold will fall by exactly 5%
 - C The number of units sold will fall by more than 5%
 - D The number of units sold will not change **(2 marks)**
- 33 Which of the following statements is/are correct?**
- (i) In the long term, costs tend to rise due to diseconomies of scale.
 - (ii) For a market to be perfect, the products and services sold by all suppliers must be identical.
- A (i) only
 - B (ii) only
 - C Both
 - D Neither **(2 marks)**
- 34 A downward shift in the supply curve could be caused by which of the following reasons?**
- A Technological innovations
 - B Higher material costs
 - C Increased indirect taxation
 - D Reduction in the availability of labour in the market **(2 marks)**
- 35 The effect of high inflation on people who save in case something bad happens (a “precautionary motive”) is best described by which of the following?**
- A They will save less
 - B They will save more
 - C They will stop saving and increase spending
 - D They will stop saving **(2 marks)**
- 36 The most significant effect of a long term trade deficit is which of the following?**
- A Domestic manufacturers and service providers are weakened
 - B A reduction in the prices of domestic manufacturers and service providers
 - C The financing costs act as a major drain on the economy
 - D Significant inflationary pressures leading to a loss in international confidence **(2 marks)**

- 37 The public sector net cash requirement (PSNCR) is the result of which of the following?**
- A Imports exceeding exports
 - B Inflation reducing the value of government tax income
 - C Running a budget deficit
 - D A devaluation of sterling
- (2 marks)**
- 38 A “contractionary policy” describes which of the following?**
- A A reduction in the level of taxation
 - B Running a budget deficit
 - C Seeking to reduce the level of imports
 - D Running a budget surplus
- (2 marks)**
- 39 The term “money supply” refers to which of the following?**
- A The supply of money raised through taxation
 - B The total savings of consumers
 - C The total value of government benefits paid to claimants
 - D The total amount of money in the economy
- (2 marks)**
- 40 The view that there is only one true equilibrium point in the national economy was attributed to which of the following?**
- A Keynes and the monetarists
 - B Monetarists and the classical view
 - C Keynes
 - D Monetarists
- (2 marks)**

EXTERNAL ANALYSIS – SOCIAL, ENVIRONMENTAL AND TECHNOLOGICAL FACTORS

- 41 According to Johnson and Scholes the social influences that should be monitored include which of the following?**
- A Education levels/Income distribution/Social mobility
 - B Cultural tastes/Public attitudes/Consumerism
 - C Population size/Health/Lifestyle changes
 - D Employment levels/Housing quality/Social values **(2 marks)**
- 42 With regard to world demographics which of the following is correct:**
- A The population of the world is decreasing
 - B On average the human life span is increasing
 - C Developing countries are experiencing a “baby boom”
 - D The majority of health issues, such as diabetes and obesity, have been successfully addressed in the USA and UK **(2 marks)**
- 43 Which of the following statements is/are correct?**
- (i) Due to changes in social structure, more people are starting a family later on in life. Governments are trying to address the associated problems by giving subsidies for childcare in order to increase the birth rate.
 - (ii) The proportion of one person households in the UK is increasing at a significant rate.
- A (i) only
 - B (ii) only
 - C Both
 - D Neither **(2 marks)**
- 44 Homeworking refers to:**
- A Giving employees work they should finish at home before coming into the office the next day
 - B Working on people’s homes with the aim of refurbishing them
 - C Allowing people to work from home rather than having to come into the office
 - D A sales person working from house to house to increase his turnover **(2 marks)**
- 45 Which of the following is NOT a benefit of an organisation adopting a sustainable approach with regards to its impact on the environment?**
- A Potential cost savings due to operational efficiencies
 - B Increased competitive advantage over companies who are not environmentally friendly
 - C Reduction in the probability of additional environmental legislation
 - D Less administration required **(2 marks)**

COMPETITIVE FACTORS

46 If a company is trying to pursue a cost leadership strategy, it will aim to produce products that are of lower quality and which are therefore cheaper.

Is this statement:

A True

B False

(1 mark)

47 Which of the following statements regarding Porter's Value Chain is/are correct?

(i) Receiving and handling of raw materials is categorised as 'inbound logistics'.

(ii) 'Service' is a secondary activity.

(iii) Dealing with complaints about a product provided is typically part of 'operations'.

(iv) 'Inbound logistics' includes the sourcing and purchasing of raw materials.

A (i) only

B (i), (ii) and (iv) only

C (ii), (iii) and (iv) only

D (i) and (iv) only

(2 marks)

PROFESSIONAL ETHICS IN ACCOUNTING AND BUSINESS

48 Which of the following is an ethical proposition?

- A Most people consider that there should be more policemen on duty
- B Companies should not delay paying their corporation tax bills until the very last moment
- C Suzanna is a very kind person
- D Violent crime is thought by many to be increasing in the UK **(2 marks)**

49 Which of the following statements is/are correct?

- (i) A construction company is bidding for a large project; one of its senior architects has been approached with a suggestion that transferring some funds into the account of a Planning Committee Chairman would help ensure the bid is successful. Positively reacting to such proposition would be classed as unethical business conduct.
 - (ii) It is possible for unqualified people in the UK to call themselves accountants and set themselves up in business offering accountancy advice.
- A (i) only
 - B (ii) only
 - C Both
 - D Neither **(2 marks)**

50 Which of the following accurately sets out the rationale for the accountant's special role in promoting ethical behaviour in business?

- A Financial probity is seen by many as strongly linked to ethical behaviour
- B The accountant is often viewed as having a special responsibility to act ethically by virtue of his role in relation to the finances and financial records of a business
- C In smaller companies it is not unusual for the accountant to be the only senior person who has professional qualifications
- D The accountant belongs to a profession and therefore has a duty to act in the public interest as well as in the interests of his employer and the shareholders **(2 marks)**

51 Social responsibility implies that:

- A A company has to donate part of its profits to charitable causes
- B A company has a responsibility not only to shareholders but also to other stakeholders
- C Society is responsible for the behaviour of certain businesses
- D Environmental protection should be at the top of every business agenda **(2 marks)**

52 Which of the following statements is/are correct?

- (i) If a professional accountant uncovers unethical conduct within the business that they work for, their first step should be to seek advice from their professional body.
- (ii) Registered students of the ACCA are not required to comply with the ACCA's "Code of Ethics and Conduct" until such time as they qualify and are admitted to membership of the ACCA.

- A** (i) only
- B** (ii) only
- C** Both
- D** Neither

(2 marks)

GOVERNANCE AND SOCIAL RESPONSIBILITY IN BUSINESS

- 53 Which of the following is the name given to the situation where decision-makers in a company do not bear a major share of the wealth effects of their decisions i.e. the decision makers do not suffer direct financial loss as a result of a bad decision.**
- A Risk-free decision making
 - B Power without responsibility
 - C Separation of decision making from its consequences
 - D Separation of ownership and control
- (2 marks)**
- 54 Which of the following statements is/are correct?**
- (i) The separation of ownership and control can be a win-win situation for both parties.
 - (ii) The Combined code on corporate governance is UK legislation that imposes legal obligations on all companies, including having to establish Audit and Remuneration Committees.
- A (i) only
 - B (ii) only
 - C Both
 - D Neither
- (2 marks)**
- 55 The “agency problem” is best described by which of the following?**
- A The danger that the managers of a company will manage it in their own interests rather than the interests of all the stakeholders
 - B When the directors of a company act as agents of the company when carrying out a major deal
 - C The employees of a company are seen as agents of the company and their qualities – or lack of them – can have a significant positive or negative impact upon the customers of the business
 - D A situation where, when buying a property, one is suspicious of the ethical standards of the estate agents involved
- (2 marks)**
- 56 The traditional view of corporate social responsibility (CSR) as opposed to the modern perspective, is best described by which of the following?**
- A CSR is best adopted by those organisations not subject to public scrutiny
 - B CSR enables a company to improve its reputation and ensure that it has a long term future
 - C CSR offers no business benefits and destroys shareholder value
 - D CSR offers substantial business benefits and has substantial customer appeal
- (2 marks)**

- 57 Most codes on corporate governance required a listed company to:**
- A Publish details of its progress from both a customer and internal perspective
 - B Publish the annual report of its audit committee
 - C Set out its plans to achieve carbon neutrality in its annual report
 - D Establish a remuneration committee of at least three independent NEDs (2 marks)
- 58 A major long standing problem of both internal and external auditors is set out in which of the following?**
- A They often have to report on the activities of relatively inaccessible overseas subsidiaries
 - B They report to the people whose activities they report on
 - C Their knowledge of the business is usually substantially weaker than those whose systems they report on
 - D It is very easy for experienced staff to conceal fraudulent transactions (2 marks)
- 59 The most obvious public oversight of corporate governance is via which of the following?**
- A Publication by companies of their Annual Report and Accounts
 - B The Audit Report
 - C The reports of investigative journalists
 - D Internet searches (2 marks)
- 60 The rules of procedure of committee operations are designed to achieve which of the following?**
- A Ensure consistency and fair play/Keep meetings brief/Keep members alert
 - B Minimise bullying/Isolate troublemakers/Prevent time wasting
 - C Ensure proper records kept/Inhibit maladministration/Facilitate fraud detection
 - D Smooth running/Minimise bullying/Ensure proper records kept (2 marks)
- 61 Committees are likely to be even more in demand as a result of which of the following factors?**
- A Size and complexity of organisations/Pressures from the workforce
 - B Business school attitudes/Move to the centre ground in politics
 - C Increasing profits of organisations/Staff given more recognition
 - D Moves toward greater participation/Companies more democratic (2 marks)

- 62 Some of the disadvantages of committees can be overcome by applying guidelines for more effective communication in which of the following areas?**
- A** Chairmanship/Brevity/Speed/Decisiveness
 - B** Authority/Size/Membership/Subject matter
 - C** Openness/Firmness/Democracy/Leadership
 - D** Discretion/Timeliness/Minutes/Cost effectiveness **(2 marks)**
- 63 The objectives of summarising (an important task of the chairperson) are set out in which of the following?**
- A** Provide summary for the records/Test level of interest
 - B** Make speeches memorable/Reawaken interest in the topic
 - C** Ensure greater participation/Provide rounded picture of the topic
 - D** Check level of understanding/Sort out misunderstandings **(2 marks)**

LAW AND REGULATION GOVERNING ACCOUNTING

- 64** Responsibility for the preparation of financial statements lies with which of the following?
- A The auditors
 - B The directors
 - C Finance department
 - D The company as a whole **(2 marks)**
- 65** 'The review of widespread accounting issues and the provision of authoritative guidance on these issues.'
- Which of the international accountancy advisory bodies performs this function?
- A IASB
 - B IFRS Foundation
 - C IFRS IC
 - D IFRS AC **(2 marks)**

ACCOUNTING AND FINANCE FUNCTIONS WITHIN BUSINESS

- 66 Which of the following statements about evaluating and obtaining finance is correct?**
- A Companies must offer shareholders an annual dividend
 - B Interest payments on debt can usually be delayed if the company cannot afford them
 - C The raising of equity usually requires the company to have good quality assets that can be offered as security
 - D Interest payments on debt are usually allowable against tax **(2 marks)**
- 67 Which of the following financial statements could be used to calculate the debt to equity ratio of an organisation?**
- A Statement of financial position (SFP)
 - B Statement of comprehensive income (OCI)
 - C Statement of profit or loss (SPL)
 - D Statement of cash flows (SCF) **(2 marks)**
- 68 Which of the following statements regarding management accounting is correct?**
- A It helps to record the financial performance of the business in a period
 - B It is a requirement for companies
 - C It always follows a set format
 - D It looks at both historical information and the future **(2 marks)**
- 69 Which of the following is NOT a function of the treasury department?**
- A Cash management
 - B Financing
 - C Taxation
 - D Budgetary control **(2 marks)**

FINANCIAL SYSTEMS AND PROCEDURES

70 Which of the following statements is/are correct?

- (i) A formal procedure is simply a recommended approach for conducting a given task
- (ii) Automated systems may lead to a lack of segregation of duties and functions within the organisation.

- A** (i) only
- B** (ii) only
- C** Both
- D** Neither

(2 marks)

71 Which of the following is often caused by an organisation adopting formal systems?

- A** There may be increased confusion over the best way to run the organisation's systems
- B** Staff training will tend to be slower
- C** Auditors will be able to follow transactions more easily
- D** It will be more complicated to locate errors or frauds

(2 marks)

THE RELATIONSHIP OF ACCOUNTING WITH OTHER BUSINESS FUNCTIONS

- 72** Which of the following is NOT an area that involves co-operation between the marketing and accounting functions of the organisation?
- A Setting of product selling prices
 - B Provision of sales information to allow market share calculations
 - C Setting of advertising budgets
 - D Establishing credit terms for key customers **(2 marks)**
- 73** Services provided to customers, such as tax advice, often have few, if any, physical aspects. Which feature of service provision does this relate to?
- A Perishability
 - B Variability
 - C Intangibility
 - D Inseparability **(2 marks)**

AUDIT AND FINANCIAL CONTROL

74 Which of the following statements is/are correct?

- (i) Internal auditing is the examination of the evidence from which the financial statements are derived, in order to give the reader of those statements confidence as to the truth and fairness of the state of affairs to which they disclose.
- (ii) As the internal auditors examine the internal controls within the organisation and have a detailed understanding of the operations of the business, they are responsible for maintaining a sound system of controls within a company.

- A (i) only
- B (ii) only
- C Both
- D Neither

(2 marks)

75 Which one of the following statements is correct regarding external auditing?

- A It is not generally a legal requirement – though the Combined Code recommends that companies should annually assess the need for it.
- B It is increasingly risk-based and involves the testing of the underlying transactions that form the basis of the financial statements.
- C The scope of its work is determined by the management of the company being audited.
- D It is responsible for giving advice and recommendations on how to improve internal controls within the business.

(2 marks)

76 Which one of the following statements is NOT a purpose of internal control?

- A The orderly and efficient conduct of the business
- B The safeguarding of assets
- C The timely preparation of reliable financial information
- D The elimination of the risk of failing to achieve company objectives

(2 marks)

77 Which one of the following is NOT a component of internal control?

- A Monitoring of activities
- B The information system relevant to financial reporting
- C The control environment
- D Fraud reporting procedures

(2 marks)

- 78 S plc performs regular bank reconciliations in order to detect any fraudulent transactions. What type of control is this an example of?**
- A** Preventive
 - B** Detective
 - C** Avoidance
 - D** Corrective
- (2 marks)**

FRAUD, FRAUDULENT BEHAVIOUR AND THEIR PREVENTION IN BUSINESS

79 An accounts clerk has unintentionally recorded a purchase invoice twice in the purchase ledger. This has caused the purchases and payables figures in the final accounts to be higher than the actual figure.

Which of the following has occurred?

- (i) Fraud
- (ii) Error
- (iii) Irregularity
- (iv) Misstatement

A (i) and (iii)

B (i) and (iv)

C (ii) and (iv)

D (ii) and (iii)

(2 marks)

80 Which of the following is NOT one of the pre-requisites for fraud to occur?

A Planning

B Dishonesty

C Motive

D Opportunity

(2 marks)

81 Which of the following is a type of fraud where the fraudster steals receipts from one receivable and clears the sales ledger balance using a subsequent receipt from another receivable?

A Teeming and lading

B Ponzi scheme

C Skimming scheme

D False billing fraud

(2 marks)

82 Which of the following statements regarding money laundering is correct?

A Businesses must only attempt to identify unusual transactions

B Nominated officers are responsible for investigating suspicious transactions

C Businesses should report all large or unusual transactions to the relevant authorities

D Money laundering only refers to the movement of illegally obtained cash **(2 marks)**

LEADERSHIP, MANAGEMENT AND SUPERVISION

83 Taylor's four principles of Scientific Management are:

- (1) There is one best way of doing a job.
- (2) Scientific selection and development of the worker.
- (3) All work is to be done in accordance with the principles of scientific management.
- (4) Equal division of work and responsibility between workers and management.

A 1 only

B None of them

C All of them

D 1 and 4

(2 marks)

84 Which of the following is NOT one of Drucker's five basic operations in the work of a manager?

A Set objectives

B Organise

C Motivate and communicate

D Measure yardsticks

(2 marks)

85 Using the Ashridge Management College theory, in a crisis situation when quick decision making is required which approach to management is more effective:

A Tell

B Sell

C Consult

D Join

(2 marks)

RECRUITMENT AND SELECTION OF EMPLOYEES

- 86 Which one of the following would not be found within a job description?**
- A Position in the organisation
 - B Remuneration package
 - C Attainments
 - D Duties and responsibilities
- (2 marks)**
- 87 Which type of interview suffers from a high degree of subjectivity?**
- A Successive
 - B Panel
 - C Group
 - D Face-to-Face
- (2 marks)**
- 88 Which of the following pieces of legislation is not part of the Equal Opportunities initiative?**
- A Race Relations Act
 - B Age Discrimination Act
 - C Health and Safety at Work Act
 - D Equal pay act
- (2 marks)**

INDIVIDUAL, GROUP AND TEAM BEHAVIOUR

- 89 Which stage of team development as per Tuckman's theory is often associated with the Groupthink effect?**
- A Forming
 - B Storming
 - C Dorming
 - D Norming
- (2 marks)**
- 90 Which team role in Belbin's classification is described as "He or she tends to pick up on the ideas of others and add to them. He or she is usually a social type of a person, who is good at networking".**
- A Team worker
 - B Expert
 - C Plant
 - D Resource-Investigator
- (2 marks)**
- 91 Which of the following are benefits that groups have over individuals?**
- (i) Synergies
 - (ii) Improved control
 - (iii) Reduction in conflict
 - (iv) Faster decision-making
- A (i) only
 - B (i) and (ii) only
 - C (ii) and (iii) only
 - D (ii) and (iv) only
- (2 marks)**

MOTIVATING INDIVIDUALS AND GROUPS

92 Which of the following statements is/are correct?

- (i) Process theories assume that there is one best way to motivate all members of staff.
- (ii) Intrinsic rewards are those that arise from the performance of the work itself.

- A** (i) only
- B** (ii) only
- C** Both
- D** Neither

(2 marks)

93 J is an employee at H Ltd. He has recently been offered a permanent contract with the company. Which level of Maslow's hierarchy of needs is this helping to fulfil for J?

- A** Security
- B** Ego
- C** Social
- D** Basic

(2 marks)

94 O is an employee at V Ltd. Her manager has recently given O some additional work to perform. This work is more complex than O's normal job and would normally be undertaken by her manager.

What is this an example of?

- A** Job enlargement
- B** Job enrichment
- C** Job widening
- D** Job rotation

(2 marks)

LEARNING AND TRAINING AT WORK

- 95 Which is the first stage of learning in Kolb's learning theory?**
- A Experience
 - B Experimentation
 - C Reflection
 - D Learning can start at any stage
- (2 marks)**
- 96 H is being trained in a classroom. He has found that he learns quickly if he can see how the theoretical information he is being taught can be put into practice in the real world. According to Honey and Mumford, which of the styles of learning is H demonstrating?**
- A Activist
 - B Pragmatist
 - C Reflector
 - D Theorist
- (2 marks)**

REVIEW AND APPRAISAL OF INDIVIDUAL PERFORMANCE

97 360 degree appraisal involves:

- A A company being assessed by governmental authorities
- B Being able to turn around the company's strategy 360 degrees
- C People who deal with a member of staff on a daily basis are asked for their input during a performance review
- D Breaking down a company's mission into smaller objectives so as to obtain a more detailed picture of events **(2 marks)**

98 Which of the following would not be a key factor in ensuring effective appraisals?

- A Face-to-face
- B Firm
- C Frequent
- D Factual **(2 marks)**

PERSONAL EFFECTIVENESS AT WORK

- 99 Which one of the following is not a method of “on the job” training:**
- A Mentoring
 - B Training course
 - C Work shadowing
 - D Coaching
- (2 marks)**
- 100 Which of the following problems would counselling be used to solve:**
- A Lack of job satisfaction
 - B Uncertain future due to possible redundancies
 - C Frustration with inability to progress in one’s career
 - D All of the above
- (2 marks)**
- 101 Which of the following statements is/are correct?**
- (i) Conflict is always destructive as it damages working relationships between individuals and groups within an organisation.
 - (ii) Conflict between a manager and an employee who reports to them would be an example of horizontal conflict.
- A (i) only
 - B (ii) only
 - C Both
 - D Neither
- (2 marks)**

COMMUNICATING IN BUSINESS

- 102 Which of the following is an example of a decentralised communication network?**
- A Circle
 - B Wheel
 - C Chain
 - D Y
- (2 marks)**
- 103 A junior employee in the accounts department is asked to discuss an issue with the Sales Director. What type of communication is this?**
- A Horizontal
 - B Vertical
 - C Lateral
 - D Diagonal
- (2 marks)**
- 104 An employee in T plc has heard a rumour from another employee that T plc is having financial difficulties. He has decided to mention this to several other employees to see if anyone has more details. What is this an example of?**
- A Upward communication
 - B Grapevine communication
 - C Lateral communication
 - D Formal communication
- (2 marks)**