MGT211 Introduction To Business More than 200 MCQs
For Preparation of Midterm Exam

Question No: 1  Which of the following business type has longest life time?
Sole proprietorship  Partnership
Joint stock company  All of the given options

Question No: 2  Election of the Board of Directors is done by Shareholders.
Through special resolution  In annual general meeting
In Special meeting  In statuary meeting

Question No: 3  Which of the following business type, has to pay double taxes to the government?
Sole proprietorship  Partnership
Joint stock company  Cooperative Societies

Question No: 4  __________ includes the rules and regulations, necessary to manage the internal affairs of the company.
Memorandum of Association  Article of Association
Prospectus  All of the given option

Question No: 5  General information like Appointment, election and powers of directors, voting rights and transfer of shares mention in ____________.
Charter of Company  Article of Association
Prospectus  None of the given option

Question No: 6  To call the extraordinary meeting, how many days’ notice is required?
21 days  15 days  07 days  30 days

Question No: 7  According to Section 305 of Companies Ordinance, a company may wound up by court under which of the following circumstances:
Statutory Declaration  Fails to submit statutory report
Expiry of Period  Appointment of Liquidators

Question No: 8  Which of the following is the source of acquiring of redeemable capital?
Modarba Certificate  Debentures
Participation Term Certificates  All of the given option

Question No: 9  Normally some part of Capital is kept for the payment of debts at the time of winding up, is called as:
Reserve capital  Un-Issued Capital
Un-Called up Capital  All of the given option

Question No: 10  The following person cannot make a petition to the court to get an order for winding up of a company.
Petition by debtor  Petition by creditor
Petition by contributory  All of the above

Question No: 11  Which of the following is the disadvantage of modified schedules and alternative workplace?
Freedom in professional and personal life  More Job satisfaction
Complicated coordination
Suitable for self starter who require little direct supervision

Question No: 12 Among different managerial styles, which of the following allows most rapid decision making?
- Autocratic styles
- Democratic styles
- Free rein style
- None of the given option

Question No: 13 Leadership is the process of motivating others to work to meet specific objectives.
- Motivation
- Free rein style
- Democratic style
- None of the given option

Question No: 14 Which of the following represents the set of procedures involving both managers and subordinates in setting goals and evaluating progress?
- Participative Management and Empowerment
- Management by Objectives (MBO)
- Reinforcement/Behavior Modification Theory
- None of the given option

Question No: 15 The internal environment consists of the insides forces that influence marketing strategy and decision making is/are as follows:
- Organization Policies
- Product Policies
- Management Structure
- All of the given option

Question No: 16 A specific communication task to be accomplished with a specific target audience during a specific period of time is called as:
- Marketing Mix
- Advertising objective
- Market segmentation
- Marketing process

Question No: 17 Dividing a market into distance groups of buyers who have distinct needs, characteristics, or behavior and who might require separate products or marketing mixes.
- Market segmentation
- Marketing Mix
- Marketing Penetration
- Marketing control

Question No: 18 The actors and forces outside marketing that affect marketing management’s ability to build and maintain successful relationship with target customers are called as:
- Marketing Environment
- Market segmentation
- Marketing Mix
- Marketing Penetration

Question No: 19 The set of controllable tactical marketing tools-product, price, place and promotion that the firm blends to produce the response it wants in the target market.
- Market segmentation
- Marketing Mix
- Marketing Penetration
- Marketing Environment

Question No: 20 Motor cycle and car are very different from one another, but both fulfill the need for transport is an example of:
- Substitute product competition
- Brand competition
- International competition: Market competition
- None of the given option

Question No: 21 Physical distribution is a channel to make availability of ___________ from producer to consumer.
Question No: 22 Advertising strategies often depend on the product life cycle stage. Example in case of introductory stage, which of the following advertising strategy is used:

Persuasive advertising  Comparative advertising  Informative advertising  Reminder advertising

None of the given options

Question No: 23 __________ is a promotional approach that encourages consumer demand, which then exerts pressure on wholesalers and retailers to carry a product.

Pull strategy  Push strategy  Persuasive advertising  Sales Promotion

Question No: 24 __________ includes rental or mortgage payments, insurance, and wages. Other cost includes material handling and inventory control.

Warehousing cost  Transportation cost  Distribution cost  Manufacturing cost

Question No: 25 Personal selling task in which salespeople try to persuade buyers to purchase products by providing information about their benefits is:

Order Processing  Creative Selling  Missionary Selling  None of the given option

Question No: 26 Consumer promotion aimed at the _________ and Trade promotion aimed at wholesalers and retailers.

Final consumer  Retailer  Wholesalers  All of the given options

Question No: 27 In which of the following, Companies rent booths to display and demonstrate products to customers who have a special interest or are ready to buy.

Trade Shows  Contests  Cross-promotion  Special-event sponsorship

Question No: 28 __________ is the planning, organizing, directing, and controlling of all the activities needed to get high-quality goods and services into the marketplace.

Total quality management (TQM)  Promotion strategy  Sales promotion  Management by objective (MBO)

Question No: 29 A promotional tool in which information about a company or product is transmitted by general mass media, which is free, but you have little or no control of the content and delivery.

Public relation  Trade Promotion  Publicity  Consumer Promotion

Question No: 30 Advertising strategy that tries to keep a product's name in the consumer's mind.

Persuasive advertising  Comparative advertising  Reminder advertising

Question No: 31 Pizza delivery service company generated after tax earnings of Rs. 800,000. With total stockholder investments equaling Rs. 20,00,000. What was the company’s return on equity?

10%  15%  40%  80%

Question No: 32 Components of Business Plan include all of the following except:
Marketing Component  Administrative Component
External Component  Financial Component

**Question No: 33** An agreement between two parties in which one party possess the rights to the other party is:
- Partnership
- Strategic Alliance
- Joint venture
- Franchising

**Question No: 34** The shareholders elect the Board of Directors in the:
- Through special resolution
- In annual general meeting
- In Special meeting
- In statuary meeting

**Question No: 35** Portion of the undistributed profit transferred to which of the following?
- General Reserve
- Retained Earning
- Appropriation account
- All of the given options

**Question No: 36** Brief history, Auditor’s report, shareholders’ equity and liabilities, share capital, etc are mention in which of the document?
- Charter of Company
- Article of Association
- Prospectus
- None of the given option

**Question No: 37** A joint stock company may be wound up voluntarily in which of the following way:
- Expiry of Period
- Fails to submit statutory report
- Fails to start its business within one year from the date of incorporation
- All of the following

**Question No: 38** Capital is required for the purchase of land, machines, wages and raw materials. A businessman can generate its capital from:
- Debt
- Equity
- None of the above
- All of the given option

**Question No: 39** Cooperative Societies are not formed for:
- The serving of the orphans and widows
- The help of poor people
- For the earning of profit
- Social welfare

**Question No: 40** Which one of the following statements about marketing is inaccurate?

(1) The growing number of products in all categories has made it easier for marketers to capture the attention of customers.
(2) Marketing has to do with persuading customers a product meets their needs.
(3) The mass market has fragmented into many different groups of customers.
(4) Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers.

**Question No: 41** The process of tracking the demand and satisfaction of customers in an effort to develop products they will want to buy on an ongoing basis is called ________.

Marketing
Business vision
Product development
Customer relationship management

**Question No: 42** ________ is the typical sequence of changes in demand for a product that occurs over time.
The business vision statement  The product life cycle
Marketing research  A customer-oriented approach

**Question No: 43** All of the following except _________ are considered to be correct statements about marketing research.

(1) It is a systematic search for information about customers' needs and how those needs differ
(2) Marketing research is geared to uncover unmet consumer needs
(3) With market research, the chance product development will be able to create a product consumers want to buy increases
(4) Marketing research provides an inexpensive method for tracking consumer behavior

**Question No: 44** When a company targets a particular group of customers because of their need for its product, it can be stated the company has identified its _______.

- Market differentiation
- Market segment
- Market mission
- Marketing plan

**Question No: 45** _______ is the combination of a product's qualities and features, its price, the way it is promoted and sold, and the places at which it is sold.

- Marketing mix
- Product mix
- Product differentiation
- Product positioning

**Question No: 46** Which type of product promotion is identified as being direct, face-to-face communication by salespeople with existing and potential customers to promote a company's products?

- Sales promotion
- Public relations
- Personal selling
- Advertising

**Question No: 47** The specific method a company uses to sell and deliver its products to customers is known as its _______.

- Retail intermediaries
- Direct distribution
- Distribution mix
- Distribution channel

**Question No: 48** Of the following distribution methods, which one is best identified as being that which occurs when a company delivers and sells products straight to the final customer?

- Independent wholesalers
- Direct distribution
- Company-owned distributors
- Retail distributors

**Question No: 49** The combination of channels a company selects to place, promote, sell, and deliver its products to customers is best identified by which one of the following?

- Missionary selling
- Licensed distribution
- Distribution mix
- Distribution channel
**Question No: 50** All of the following choices represent one of the four types of utility except:
- Time
- Form
- Loyalty
- Ownership

**Question No: 51** The consumer rules! Find a need and fill it was the prevailing attitude during what historical era of marketing?
- Production
- Sales
- Marketing
- Relationship

**Question No: 52** The marketing concept is:
- Companywide consumer orientation with the objective of achieving the maximum amount of profits.
  - Long-run success page
  - Largest market share
  - Highest paid staff

**Question No: 53** ______ involves long-term, value-added relationships developed over time with customers and suppliers:
- Relationship Marketing
- Marketing Era Marketing
- Consumer Marketing
- Exchange Marketing

**Question No: 54** An activity in which two or more parties give something of value to each other to satisfy perceived needs is called:
- Sales process
- Exchange process
- Relationship process
- Production process

**Question No: 55** An enterprise that provides products or services that customers desire is a/an:
- Institution
- Market
- Agency
- Business

**Question No: 56** The different types of stakeholders involved in a business include all of the following except:
- Owners
- Creditors
- Couriers
- Employees

**Question No: 57** A certificate of ownership of a business is a:
- Bond
- Stock
- Mutual fund
- Contract

**Question No: 58** The following are possible forms of business ownership except:
- Proprietorship
- Partnership
- Bureaucracy
- Corporation

**Question No: 59** Partners have unlimited liability in a:
- General partnership
- Corporation
- Limited partnership
- Cooperative

**Question No: 60** An arrangement whereby business owners allow others to use their trademark, trade name, or copyright under specified conditions is:
- Franchise
- Joint venture
- Distribution
- Cartel

**Question No: 61** A firm’s ______ is measured by its stock price, which can be negatively affected by unethical business practices:
- Bond rating
- Risk
- Value
- Return on investment

**Question No: 62** ______ conditions reflect the overall performance of the nation’s economy.
- Microeconomic
- Multieconomic
- Macroeconomic
- All of the given options
**Question No: 63** The primary purpose of an industry business environmental assessment is to determine the:
- economic growth
- degree of competition
- inflation rate
- population growth

**Question No: 64** The function of business responsible for the efficient use of employees and other resources (such as machinery) is:
- Finance
- Marketing
- Production
- Management

**Question No: 65** If firms wish to avoid hiring during a temporary increase in production, they can offer ________ to existing employees.
- Overtime
- Training
- Affirmative action
- Orientation program

**Question No: 66** Group of individuals working together to achieve shared job-related goals, such as higher pay, shorter working hours, more job security, greater benefits, or better working conditions is a:
- Labor Union
- Informal organization
- Team
- Trade union

**Question No: 67** Since they are closer to the production process, first line managers use their ________ skills more frequently.
- Conceptual
- Interpersonal
- Managerial
- Technical

**Question No: 68** Which of the following allows employees to set their own goals and determine the manner in which they accomplish their tasks?
- Equity theory
- Management by objectives
- Theory X
- Theory Y

**Question No: 69** All of the following are key factors that influence consumer preferences and the size of target market except:
- Social values
- Anthropology
- Geography
- Demographics

**Question No: 70** Cameras, clothes, and household items are examples of products that exist in:
- Industrial markets
- Business markets
- Consumer markets
- Government markets

**Question No: 71** To develop new ideas for expanding their product lines, many firms have recently increased their investment in:
- Research and development
- Production facilities
- Distribution facilities
- Inventory control

**Question No: 72** Products that are not branded by the producer or retailer are called:
- National brands
- Store brands
- Obsolete brands
- Generic brands

**Question No: 73** Managers typically attempt to set a price that will maximize a firm’s:
- Value
- Production
- Advertising
- Promotion

**Question No: 74** The manner by which a firm’s products are made accessible to its customers is determined by its:
- Advertising strategies
- Product decisions
- Pricing strategies
- Distribution decisions

**Question No: 75** Marketing intermediaries that match buyers and sellers of products without becoming owners of the products themselves are known as:
- Single-service marketers
- Agents
- Stockers
- Mediators

**Question No: 76** All of the following are methods of promotion except:
target marketing personal selling sales promotion public relations

**Question No: 77** The type of advertising that is used for grocery products such as cereals, peanuts, cooking oil, and tea is:
institutional advertising the push strategy reminder advertising public relations advertising

**Question No: 78** Which of the following sales promotion strategies provide a gift or prize to consumers who purchase a specific product?
pull push sampling premiums

**Question No: 79** are employees hired on something other than a full-time basis to supplement an organization’s permanent workforce.
Contingent Workers Knowledge workers Diverse workforce None of the given options

**Question No: 80** represents a series of tasks in which resources are used to produce a product or service.
Production process Layout chart Venn diagram Organizational chart

**Question No: 81** The act of setting time periods for each task in the process is called:
Routing Scheduling Dispatching None of the given options

**Question No: 82** A system that uses computers and telecommunication technology to share information across the organizational boundaries is known as ________ system.
Gate-keeping Broadband Inter-organizational Internal information

**Question No: 83** Through ________, firms achieve a lower average cost by producing large volume.
Inventory management Economies of scale De-integration Effective marketing

**Question No: 84** is the management, technological, and production operations performed by the organization to convert inputs to outputs.
Systems theory Entropy Synergy Transformation process

**Question No: 85** Comparing an organization’s processes and products to the world’s best and then matching or exceeding that quality is called:
Benchmarking Quality assurance Continuous improvement process Total quality management

**Question No: 86** The heart of a computer is its:
Power unit Central processing unit Random access memory Hard drive

**Question No: 87** In typical network architecture, workstations are connected to a ____, which is a machine that stores and provides access to centralized data.
Main-frame Stand-alone computer File server Main-board

**Question No: 88** The exchange and comprehension of information is:
Communication Promotion Posture Facial expression

**Question No: 89** Modems, printers, keyboards, monitors, and scanners are examples of computer ________.
Core components Externalities Peripherals Serial interfaces

**Question No: 90** Which of the following is excluded from factors that can affect the business?
Demographic Factors Economic factors Act of God None of the above
**Question No: 91** The function of business in which business man tries to find new techniques of production is
Accounting Management Function Innovation Quality improvement

**Question No: 92** If Trade Receipts are greater then Trade Payments then Balance of Payments is
Favorable Unfavorable Deficit None of the above

**Question No: 93** Which of the following is excluded from the advantages of Sole Proprietorship?
Direct relationship with customers Unlimited Liability
Easy transfer of Ownership Entire Profit

**Question No: 94** Which of the following is an advantage of sole proprietorship?
Longest life Availability of sufficient Capital
Direct contact with customer and workers Separate Legal Entity
Question No: 95 Which of the following is not among the benefits of Partnership Firm?
Satisfaction of Partners  Lack of Secrecy
Moral Promotion  Minority Protection

Question No: 96 In partnership deed the profit & loss is distributed among the partners by the following ratio.
50:50  As per percentage of Capital invested
As per agreed ratio in Partnership deed  25:75

Question No: 97 The company may raise its capital through which of the following sources:
By Issuing Shares  By Issuing Debentures
By Savings  All of the given options

Question No: 98 Advantages of cooperative societies does not include
Equal distribution of wealth  Interference of Government
No Monopoly  Open Membership

Question No: 99 WTO was organized on

Question No: 100 A major disadvantage of corporate organization is
Double Taxation of dividend  Inability of the firm to large sum of additional capital
Limited liability of share holders  Limited life of Cooperate firm

Question No: 101 It is difficult to transfer to right of ownership is
Sole proprietor ship  Partnership  All of given options  None of given options

Question No: 102 Wages are paid for
Long term  Short term  All of given options  None of given options

Question No: 103 Pakistan is exporting
Sports Item  Agriculture Product  Textile Product  All of given options

Question No: 104 Managers have _______ type of skills
2  3  4  5

Question No: 105 The process of attracting the people for job
Recruitment  special skills  Supervision  Job Specification

Question No: 106 What is the method of on job training?
Lectures  Vestibule  Videos  None of given options

Question No: 107 The liability of a sole trader is ________
limited Only to his investment in the business  Unlimited
Limited to the total resources of the business  Not defined

Question No: 108 Genetic industry means
Canal  Sugar mill  Poultry  Agriculture

Question No: 109 The first stage Evolution business is?
Industry revolution  Globalization  Entrepreneurship  Marketing era

Question No: 110 When entrepreneurs establish a business, they must first decide on the form of:
Partnership  Ownership  Expansion  Organization

Question No: 111 Generally, in a limited partnership:
All partners have limited liability.  The partners exist for a limited time period.
The limited partners do not participate in management of the company.
Not more than 75 partners may invest in the company at one time.
**Question No: 112** The “leading” function of management should be conducted in a manner that is consistent with firm’s:

- Competition
- Strategic plan
- Industry demand
- Labor union

**Question No: 113** The skills managers use to understand the relationships among the various tasks of the firm are:

- Interpersonal skills
- Technical skills
- Decision making skills
- Conceptual skills

**Question No: 114** The four functions of management:

- Must be enacted in the proper sequence
- Must be integrated
- Are stand alone, independent functions
- Can not be performed by one individual

**Question No: 115** Social interaction and acceptance by others are examples of:

- Physiological needs
- Safety needs
- Affiliation needs
- Esteem needs

**Question No: 116** When firms delegate more authority to their employees, this strategy is referred to as:

- Empowerment
- Merit system
- Hygiene theory
- Equity system

**Question No: 117** The process used to determine the tasks and the necessary credentials for a particular position is referred to as:

- Job analysis
- Job screening
- Job evaluation
- Human resource planning

**Question No: 118** A _____ is an assignment to a higher level job with more responsibility and greater pay.

- Transfer
- Lateral assignment
- Appraisal
- Promotion

**Question No: 119** Products purchased by companies to produce other products are:

- Consumer Goods
- Industrial Goods
- Services
- Inventory

**Question No: 120** Many organizations provide guidelines of behavior to employees through a code of:

- Cartel arrangements
- Kickback agreements
- Production manuals
- Responsibility and ethics

**Question No: 121** A firm can charge a higher price without loosing its customers if it does not have much:

- Production
- Competition
- Advertising
- Industry demand

**Question No: 122** A distribution channel represents the path of a product from a producer to:

- Retailer
- Wholesaler
- Consumer
- Manufacturer

**Question No: 123** Process by which a company analyzes a competitor’s products to identify desirable improvements is:

- Competitive product analysis
- Value-Added Analysis
- Statistical Process Control
- Quality/Cost Studies

**Question No: 124** Spreadsheets, database and word processing software are all types of:

- Operating systems
- Utility programs
- Application software
- Firmware

**Question No: 125** Which of the following is the most important determinant of a firm’s value?

- Earnings
- Debt
- Liabilities
- Liquidity
**Question No: 126** How funds are obtained and invested by the firm is determined by the:
- Finance function
- Marketing function
- Organizing function
- Accounting function

**Question No: 127** _______ is used to cover long-term expenses such as assets.
- Line of Credit
- Debt Financing
- Preferred Stock
- Financial Management

**Question No: 128** _______ is the range of workers’ attitudes, values, and behaviors that differ by gender, race, and ethnicity.
- Knowledge Worker
- Labor Markets
- Contingent Worker
- Workforce Diversity

**Question No: 129** An increase in the general level of prices of products over a specified period of time is called:
- Inflation
- Gross domestic product
- Disinflation
- Equilibrium

**Question No: 130** The formation of _______ does not require any legal formality like registration.
- Company
- Cooperative society
- Partnership
- Ans Sole proprietorship

**Question No: 131** Which of the following is a disadvantage of partnership?
- Distribution of work
- Sufficient capital
- Prime credit standing
- Ans Profit sharing

**Question No: 132** In partnership deed, profit and loss is distributed among the partners:
- In equal percentage
- As per percentage of capital invested
- Ans As per agreed ratio in partnership deed
- None of the given options

**Question No: 133** The powers of the Board of Directors to borrow from the bank are mentioned in:
- Ans Article of Association
- Memorandum of Association
- Special Resolution
- None of the given options

**Question No: 134** Which of the following should be considered when designing a business plan?
- Objectives of the business
- Marketing components of the business
- Financial components of the business
- Ans All of the given options

**Question No: 135** A firm that acquires another firm as part of its overall business strategy is engaging in _______.
- Ans A strategic acquisition
- A financial acquisition
- A two-tier tender offer
- A shark repellent

**Question No: 136** The record of a country's imports and exports of goods and services is called its:
- Visible trade balance
- Balance of payments on current account
- Balance of trade
- Ans Balance of payments

**Question No: 137** Which of the following is the treaty designed to remove barriers to the free flow of goods, services, and capital between nations?
- GATT
- EU
- Ans WTO
- NAFTA

**Question No: 138** Export subsidies are:
- Maximum limits on the quantity of specific products imported to a nation.
- Taxes placed on imported products.
- Licensing requirements or unreasonable quality standards designed to reduce imports.
Government payments to domestic producers to reduce the price on exported goods.  

**Question No: 139** If a very successful fast food restaurant has been ignoring customers' concerns about the small war toys and toy guns included in their Kids Meals, then managers should begin focusing on improving the firm's:  

**Ans Ethics**  

**Question No: 140** ___________ is a dimension of social responsibility that includes hiring minority workers, making safe products, minimizing pollution, using energy wisely, and providing a safe work environment.  

**Ans Corporate responsibility**  

**Question No: 141** Human resource planning is a dynamic planning process which involves ongoing environmental scanning and an analysis of organizational objectives, strategies, and policies aimed at deciding:  

What business the organization should be in  

**Ans** The right quantity and quality of employees needed when and where  

What physical resources the organization needs  

Who the organization’s main competitors are  

**Question No: 142** The MBTI is a personality test that has been used to select candidates who will more likely engage in organizational citizenship behaviors at work. However, critic of this test suggest that the results can change over time as a person's personality develops. Therefore the MBTI personality test may be:  

Legal but not valid  

Reliable but not valid  

**Ans** Valid but not reliable  

Reliable but not legal  

**Question No: 143** Selection devices that are based upon physical condition of the candidates are known as:  

**Ans Medical tests**  

Background investigations.  

Aptitude tests  

Application forms.  

**Question No: 144** Which of the following chart shows turnover in an organization? GANNT chart  

**Ans Replacement chart**  

PERT chart  

Bar chart  

**Question No: 145** The Hawthorne Studies found:  

**Ans** That social and psychological factors could significantly affect productivity  

That economic factors affect productivity  

Money to be the primary motivator of female employees.  

That workers were motivated to produce more when managers left them alone.  

**Question No: 146** According to Maslow's hierarchy of needs, a person who buys a motion detector/burglar alarm for her house is motivated to do so in an attempt to fulfill the following need:  

Esteem.  

**Ans Security Social Self-actualization**  

**Question No: 147** Company policy, administration, supervision, interpersonal relations, working conditions, and salary are characterized as:  

Growth factors  

**Ans Hygiene factors**  

Esteem factors  

Motivating factors  

**Question No: 148** Which of the following step is important to improve expectancy?  

Deliver rewards as promised.  

Observe and recognize performance.  

Create the belief that effort is related to performance  

**Ans** Make the rewards meaningful.  

**Question No: 149** The term "Job Rotation":

Virtuallians Social Network  

www.virtuallians.pk  

Prepared by: Irfan Khan
Is another term for employee empowerment. Involves allocating a wider range of similar tasks to individuals.

Involves giving employees work with a greater degree of responsibility and autonomy. Means that staff is moved periodically from task to task in order to increase variety and interest.

**Question No: 150** Which of the following is NOT included as a basic idea in the definition of marketing concepts?

Ans: Total company effort. Profit Productivity Customer satisfaction.

**Question No: 151** In ________ of marketing, unsatisfied need of the customers are satisfied.

Ans: Marketing oriented stage. Product oriented stage.

**Question No: 152** Which of the following statements is NOT true about services?

They are experienced, used or consumed. They are often sold first, then consumed. They are perishable.

Ans: They are tangible.

**Question No: 153** The degree to which a tool or test measures what it is supposed to measure is known as:


**Question No: 154** Which of the following would generally have unlimited liability?

A limited partner in a partnership. A shareholder in a corporation.

Ans: The owner of a sole proprietorship.

A member in a limited liability company (LLC).

**Question No: 155** What is potentially the biggest advantage of a small partnership over a sole proprietorship?


Ans: Raising capital.

**Question No: 156** Which of the following enjoys limited liability?

A general partnership. Ans A Corporation.

A sole proprietorship. None of the given options.

**Question No: 157** In which type of business entity the entire ownership interest is transferable most freely?


Ans: Limited liability company.

**Question No: 158** Which of the following is false? I don’t know the answer.

One reason for failure of businesses is lack of managerial experience. One reason for failure of businesses is that most entrepreneurs are younger than 25 years old. One reason for failure of businesses is to neglect. One reason for failure of businesses is weak control systems.

**Question No: 159** What is a business plan? Discuss the purpose and significance of a business plan.

**Question No: 160** What is Maslow’s hierarchy of needs model? What are management implications of Maslow’s Hierarchy need theory?
**Question No: 161**
People in business and government face important ethical issues and decisions.

- Only in the United States
- Primarily in capitalist countries
- Primarily in communist countries
- In many different countries around the world

**Question No: 162**
Following are the advantages of cooperative society except:

- Increase in employment
- Lack of profit incentive
- Friendly relation
- Easy formation

**Question No: 163**

— refers to the standards of moral behavior.

- Legality
- Loyalty
- Integrity
- Ethics

**Question No: 164**
Which of the following is included in job specification?

- Working environment
- Experience
- Job title
- Job location

**Question No: 165**
Which of the following is included in economic factors?

- Religion
- Value system
- Norms
- Exchange rate

**Question No: 166**
Wages are paid for:
Short term period
Long term period
All of the given options
None of the given options

The first stage in Evolution of business is:

**QuestionNo: 167**
Industrial revolution
Marketing Era
Entrepreneurship

Globalization

**QuestionNo: 168**
Which of the following statements about franchising is true?

- Franchising is a type of corporate system.
- Franchising is used to achieve coordination at successive stages of production.
- Franchising is a type of administered vertical marketing system.
- Franchising is the most visible variation of contractual systems.

The liability of a sole trader is:

**QuestionNo: 169**
Limited only to his investment in the business
Limited to the total resources of the business
Unlimited
Not defined

Which of the following is not an example of non-profit making organization?

**QuestionNo: 170**
NGOs
Trusts
Cooperative societies
Partnership

**QuestionNo: 171**
First directors are usually named in the
Barriers to international trade include:

- Social and cultural differences
- Political and legal differences
- Economic differences
- All of the given options

The first stage in Evolution of business is:

- Industrial revolution
- Marketing Era
- Entrepreneurship
- Globalization

Political and legal barriers to trade include:

- Tariffs
- Quotas
- All of the given options
- None of the given options

Which of the following is not the disadvantage of cooperative society?

- Lack of secrecy
- No profit incentive
- Untrained supervision
- Protection of mutual interest

A statutory report must be sent to every member of the company at least ____________ days before the meeting is to be held.

- 21 days
- 30 days
- 45 days
- 51 days
A market survey is important because it tells you:

**Question No.: 177**

1. How many & what types of people are shopping at a store.
2. Tells you what the customer will buy.
3. Tells you how much the customer will pay for the product.
4. All of the above.

**Question No.: 178**

A market survey is important because it tells you:

1. How many & what types of people are shopping at a store.
2. Tells you what the customer will buy.
3. Tells you how much the customer will pay for the product.
4. All of the above.

**Question No.: 179**

Barriers to international trade include:

1. Social and cultural differences
2. Political and legal differences
3. Economic differences
4. All of the given options

**Question No.: 180**

Which of the following is NOT a core function of management?

1. Planning
2. Organizing
3. Motivating
4. Leading

**Question No.: 181**

In the manufacturing industry, raw material is converted into some goods finished or semi finished:

1. Manufacturing
2. Constructive
3. Genetic
4. Extractive

**Question No.: 182**

A major advantage of the corporate form of organization is:
Reduction of double taxation.

Limited owner liability.

Legal restrictions.

Ease of organization

**Question No: 183**

The formation of ____ does not require any legal formality like registration.

- Sole proprietorship
- Company
- Cooperative society
- Partnership

**Question No: 184**

Compared to licensing, franchising is a more advantageous entry mode because:

- It generates economies of scale in marketing to international customers.
- It offers greater control.
- It is low-risk and low-cost.
- Of all the above

**Question No: 185**

Population size is included in

- Economic factors
- Demographic factors
- Legal factors
- Technological

**Question No: 186**

Which of the following is excluded from factors that can affect the business?

- Demographic Factors
- Economic and social factors
- Natural factors
- None of the above

**Question No: 187**

A Pizza delivery service company generated after tax earnings of Rs. 800,000. With total stockholder investments equaling Rs. 20,00,000. What was the company’s return on equity?

- a) 10%  
- b) 15%  
- c) 40%  
- d) 80%

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Question No: 188 the return on investment in a firm is derived from the firm’s ability to earn _________.

Question No: 12 the total market value of all final goods and services produced in a country is known as _____.

Question No: 189 ________ theory of motivation holds that people evaluate their treatment by employers relative to the treatment of others.

Question No: 190 if a manager is having difficulties in managing his or her subordinates, ______ would be recommended to cope with the situation.

Question No: 191 Redesigned conventional office space to accommodate jobs and schedules that are far less dependent on assigned spaces and personal apparatus is called _________.

Question No: 192 Discuss some of the concerns an entrepreneur may have when starting a new business.

Question No: 193 Discuss and give examples of what you believe is the most common form of business ownership in your hometown.

Question No: 194 Distinguish between management and leadership. Do you think a person could be an effective manager but an ineffective leader?

Question No: 195 Describe the tasks involved in developing a human resource plan.

Question No: 196 All of the following are considered crucial ingredients that are needed in order for a business to be able to make a profit except __________.

Land Capital Labor Financial Counselors

Question No: 197 Jahanzaib's restaurant was sued when a customer suffered a severe allergic reaction. As sole proprietor of the establishment, Jahanzaib's will be personally liable for any judgment against the restaurant due to __________.

Charter Laws Unlimited Liability

Terms of his property insurance

Question No: 198 ________ comprise partners whose liability is limited to the cash or property they contributed to the partnership.

Limited partnerships Limited Liability Companies

Sole Corporations General Partnership

Question No: 199 ________ is considered a primary advantage to forming a business partnership.

Shared Profit Increase Specialization Shared Control Unlimited Liability

Question No: 200 Disadvantages associated with being an entrepreneur include all of the following except __________.

Ensuring the business functions properly Possibly incurring large losses

Possibly losing source of income Having an increased amount of control

Question No: 201 All of the following except __________ are considered to be barriers to free trade.
Tariffs   Quotas   Subsidies   Taxes

**Question No: 202** A __________ is an economic system in which the production of goods and services is left in the hands of private enterprise.

Totalitarian government   Representative democracy

Mixed Economy   *Free Market Economy*

**Question No: 203** __________ are those persons who guarantee the company, to buy the remaining shares if minimum requirement is not met.

Promoters   Brokers   Underwriters   Directors