

Business Studies E-Notes for Year 8, 2nd Term

Business Studies · Answer Key · 23 Questions

1. What is the primary purpose of insurance?

- A) To increase business profits
- B) To provide financial protection against future losses**
- C) To eliminate all business risks
- D) To guarantee a fixed income

2. Which of the following is an example of an insurable risk?

- A) Risk of war
- B) Profit or loss from competition
- C) Motor vehicle damage**
- D) Launching a new product

3. Comprehensive motor vehicle insurance provides coverage for:

- A) Only the third party's vehicle damage
- B) Damage to the insured's vehicle only
- C) Complete coverage for the insured and third parties**
- D) Damage caused only by theft

4. What is the oldest type of insurance policy mentioned?

- A) Life assurance
- B) Fire insurance
- C) Marine insurance**
- D) Vehicle insurance

5. Which principle of insurance states that all relevant information must be disclosed?

- A) Indemnity
- B) Contribution
- C) Utmost good faith**
- D) Subrogation

6. An entrepreneur is defined as an individual who:

- A) Manages a business for others
- B) Takes risks to establish a business**
- C) Only provides capital for a business
- D) Inherits a business

7. Which of these is NOT a characteristic of a successful entrepreneur?

A) Willingness to take risks

B) Quitting at the first obstacle

C) Being action-oriented

D) Thriving on uncertainties

8. What does 'networking' refer to for entrepreneurs?

A) Connecting with clients

B) Meeting people to share passion and gain support

C) Attending business seminars

D) Developing new product ideas

9. A business opportunity involves the chance to engage in production of goods or rendering of services to earn a:

A) Social status

B) Political influence

C) Means of livelihood

D) Creative outlet

10. Buying a franchise is an example of which type of business opportunity?

A) Local

B) National

C) International

D) It can be any of the above depending on the franchise

11. A business that operates in only one country but has many locations is considered:

A) Local business

B) National business

C) International business

D) Multinational enterprise

12. Which of these is NOT a well-known multinational enterprise mentioned in the text?

A) Samsung

B) Microsoft

C) Toyota

D) McDonald's

13. A consumer is a person who buys and uses a product or service for:

A) Resale

B) Production

C) Direct use or ownership

D) Manufacturing

14. Consumerism is a movement by consumers to obtain the greatest benefit from goods and services purchased for:

A) Investment

B) Consumption

C) Production

D) Resale

15. Which of the universal consumer rights states that consumers should not be sold dangerous goods?

A) Right to be heard

B) Right to choose

C) Right to safety

D) Right to seek redress

16. What is a consumer responsibility related to advertisements?

A) To believe all advertisements

B) To act as a guide against deceptive advertisements

C) To create advertisements

D) To ignore advertisements

17. Needs are described as:

A) Mere desires for goods or services

B) Wants that give satisfaction

C) Fundamental to human existence

D) Luxuries

18. The arrangement of needs or wants in order of priority is called:

A) Choice

B) Opportunity cost

C) Scale of preference

D) Impulse buying

19. Opportunity cost refers to:

A) The price paid for a chosen item

B) Forgone alternatives as a result of making a choice

C) The total cost of all available options

D) The satisfaction gained from a purchase

20. Impulse buying is described as:

- A) A planned purchase
- B) An unplanned decision to buy**
- C) A purchase made after extensive research
- D) A necessity

21. A written commitment by the manufacturer that a product is in good condition and will be repaired or replaced if faulty is a:

- A) Guarantee
- B) Warranty**
- C) Installation
- D) Delivery

22. Book-keeping ethics refers to the acceptable ways or mode of behavior for:

- A) Customers
- B) Managers
- C) Book-keepers**
- D) Auditors

23. What does 'TAP' stand for in book-keeping ethics?

- A) Trust, Accountability, Probity
- B) Transparency, Accountability, Probity**
- C) Trust, Action, Progress
- D) Transparency, Action, Progress