

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

Business Studies · Practice Test · 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