

Choose the Best Answers (50 Questions, each 2 marks)

1. Which is an important job responsibility for a middle manager?
  - a) defining the organization's long-term goals
  - b) translating goals defined by top managers into action
  - c) helping top managers define goals
  - d) performing tasks that are not related to long-term goals
2. A and B invest in a business in the ratio 3: 2. If 5% of the total profit goes to charity and A's share is Birr 1425, the total profit is:
  - a) Birr 1425
  - b) Birr 1500
  - c) Birr 1537.50
  - d) Birr 1576
3. Decision making begins with \_\_\_\_\_
  - a) selecting alternatives
  - b) identifying decision criteria
  - c) identifying a problem
  - d) eliminating false alternatives
4. MIDROC Ethiopia is one of corporate business in adding new, unrelated products or services which its value chains are so dissimilar that no competitively valuable cross business relationship. Based on this information which type of strategy MIDROC Ethiopia follow.
  - a) Conglomerate Diversification
  - b) Horizontal Diversification
  - c) Concentric Diversification
  - d) All of the above
5. Find the correctly spelt words.
  - a) Penstenger
  - b) Passenger
  - c) Passanger
  - d) Pesanger
6. B2CD, \_\_\_\_\_, BCD4, B5CD, BC6D
  - a) B2C2D
  - b) BC3D
  - c) B2C3D
  - d) BCD7
7. The direction of an individual's motivation can be channeled to benefit \_\_\_\_\_.
  - a) only an organization
  - b) both individuals and/or organizations
  - c) only an individual
  - d) an individual's family only
8. The thing you must give up in the future to consume something today is known as the \_\_\_\_\_ of consuming now.
  - a) opportunity cost
  - b) variable cost
  - c) average cost
  - d) sunk cost
9. Which of the following describes the leadership style in which a leader tends to centralize authority, dictate work methods, make unilateral decisions, and limit employee participation?
  - a) Autocratic leadership style
  - b) Democratic leadership style
  - c) Laissez-faire leadership style
  - d) All of the above
10. Find the correctly spelt words.
  - a) Entrepreneur
  - b) Entrapreneur
  - c) Entreprenaur
  - d) Enterprenuer
11. Look at this series: 2, 1, (1/2), (1/4), ... What number should come next?
  - a) (1/3)
  - b) (1/8)
  - c) (2/8)
  - d) (1/16)
12. The price elasticity of demand measures
  - a) how often the price of a good changes.
  - b) the slope of a budget curve.
  - c) how sensitive the quantity demanded is to changes in demand.
  - d) the responsiveness of the quantity demanded to changes in price.

13. The production possibilities frontier is the boundary between  
 a) those combinations of goods and services that can be produced and those that can be consumed.  
 b) those resources that are limited and those that are unlimited.  
 c) those combinations of goods and services that can be produced and those that cannot.  
 d) those wants that are limited and those that are unlimited.
14. People want to consume more goods and services than they currently consume. Consumption choices are limited by  
 a) the person's preferences for goods and services.  
 b) the person's income and the prices of goods.  
 c) the person's indifference curves.  
 d) only prices and the person's preferences.
15. The marketing strategy emphasizes price as the key to good value; operations run with tight cost control. Which of Porter's competitive strategies is illustrated here?  
 a) Differentiation  
 b) Cost leadership  
 c) Differentiation focus  
 d) All of the above
16. Which word does NOT belong with the others?  
 a) Tyre  
 b) steering wheel  
 c) Engine  
 d) Car
17. Tanya is older than Eric.  
 Cliff is older than Tanya.  
 Eric is older than Cliff. If the first two statements are true, the third statement is  
 a) True  
 b) False  
 c) Uncertain  
 d) All are true
18. After transaction information has been recorded in the journal, at the end of the period the journal entries are posted to:  
 a) trial balance.  
 b) income statement.  
 c) book of original entry.  
 d) ledger.

Based on the following information attempt the following two questions (19 and 20):  
 The following table represents the transport preferences of a certain number of people in three towns V, K and S. Consider the information and answers the following questions based on it.

	Cycle	Taxi	Rickshaw	Bus	Own Car	Train
Town V	150	155	75	100	125	145
Town K	115	100	100	175	175	110
Town S	150	150	125	100	100	155

19. The difference between people who prefer taxi to own car is?  
 a) 5  
 b) 10  
 c) 15  
 d) 20
20. What is the most preferred mode of transport?  
 a) Train  
 b) Bus  
 c) Cycle  
 d) Taxi
21. Which of the following best describes scarce resources?  
 a) Resources that most people cannot afford to buy  
 b) Resources that can only be distributed efficiently by the government  
 c) Resources for which the quantity demanded is the same for all economic agents  
 d) Resources for which the quantity that people want exceeds the quantity that is freely available

22. As of December 31, 2020, ABC Company has total assets of \$150,000 and owner's equity of \$70,000. What are the liabilities for ABC Company as of December 31, 2020?
- a) \$220,000  
b) \$150,000  
c) \$80,000  
d) \$140,000
23. The automobile market in Country X is often said to be highly competitive. But it is not perfectly competitive. What makes this market not perfectly competitive?
- a) Different car companies make different vehicles with different features.  
b) An individual car buyer can dictate what price he or she pays for a vehicle.  
c) More than three major car companies exist in this market.  
d) An individual seller can dictate what price a consumer pays for a vehicle.
24. Which of the following statements is true of a perfectly competitive market?
- a) Sellers in the market produce differentiated goods.  
b) There is free entry and exit in the market.  
c) There are only a few buyers and sellers in the market.  
d) Sellers and buyers both set prices to compete in the market.
25. A, B, C rent a pasture. A puts 10 oxen for 7 months, B puts 12 oxen for 5 months and C puts 15 oxen for 3 months for grazing. If the rent of the pasture is Birr 175, how much must C pay as his share of rent?
- a) Birr 45  
b) Birr 50  
c) Birr 55  
d) Birr 60
26. You have orders to give a patient 20 mg of a certain medication. The medication is stored 4 mg per 5-mL dose. How many milliliters will need to be given?
- a) 15 mL  
b) 20 mL  
c) 25 mL  
d) 30 mL
27. If the set of S is composed of the following numbers {99, 100, 100, 105, 106, 116, 123} Which of the following is largest?
- a) The Average of set S  
b) The Median of set S  
c) The Mode of set S  
d) The Range of set S
28. VX Company gathered the following reconciling information in preparing its December bank reconciliation:
- |                                    |         |
|------------------------------------|---------|
| Cash balance per books, 7/31       | \$5,500 |
| Deposits in transit                | 150     |
| Notes receivable collected by bank | 850     |
| Bank charge for check printing     | 20      |
| Outstanding checks                 | 2,000   |
| NSF check                          | 170     |
- Based on the data given, the adjusted cash balance per books on December 31 is?
- a) \$6,160  
b) \$6,010  
c) \$4,310  
d) \$4,460
29. An externality occurs when \_\_\_\_\_.
- a) the quantity demanded of a good exceeds the quantity supplied  
b) the quantity supplied of a good exceeds the quantity demanded  
c) the government regulates production and consumption decisions  
d) an economic activity affects third parties not engaged in the activity
30. Tanya got an increment of 15% in her salary. If her enhanced salary is Birr 14,030. What was her original salary?
- a) Birr 12200  
b) Birr 12300  
c) Birr 12400  
d) Birr 12000



31. M borrowed some money for 1 year at certain simple interest. But the interest rate was increased to 2% which amounted to Bir 120. Find the principal amount.

- a) Bir 4000
- b) Bir 5000
- c) Bir 6000
- d) Bir 7000

32. Find the range of the data 9, 5, 9, 3, 4, 7, 3, 4, 8, 9, 5, 9.

- a) 3
- b) 5
- c) 6
- d) 4

33. If  $w:0.80::9:b$ ,  $w=?$

- a) 2.5
- b) 1.1
- c) 3.3
- d) 1.2

34. Baths Company is a small company that sells reproduction stoves, bathtubs, toilets, and faucets. The company's management is currently conducting a formal study of its current strengths and weaknesses by looking at the company's profit and sales histories and searching for opportunities and threats by studying consumer trends. What is Baths Company conducting?

- a) SWOT analysis
- b) market differentiation scan
- c) marketing audit
- d) environmental scan

35. One inch equals 2.54 cm, how many centimeters tall is a 26 inch man?

- a) 20 cm
- b) 29.92 cm
- c) 193.04 cm
- d) 300.64 cm

36. In a sample of association at a law firm, 40 percent are second-year associate, and 60 percent are not first year associates. What percentages of the associations at the law firm have been there for more than two years?

- a) 10
- b) 20
- c) 30
- d) 40

37. A fruit seller had some apples. He sells 40% apples and still has 420 apples. Originally, he had:

- a) 588 apples
- b) 600 apples
- c) 672 apples
- d) 700 apples

38. What is a strategy of increasing market share for present products in existing markets?

- a) diversification
- b) market development
- c) product development
- d) market penetration

39. An accounting firm generates services valued at bir 400,000 per month and has a total cost of 40,000 per month. What is the simple measure of its productivity?

- a) 5
- b) 10
- c) 0.10
- d) 3

40. What is 0!?

- a) 0
- b) 1
- c) Undefined
- d) 10

41. In a certain code, if PEARLS is written as 823745 and JEWELS is written as 912645, then in the same code, what will WEARS be written as?

- a) 62573
- b) 62374
- c) 62375
- d) 62735

Use the following information for the next three questions (42, 43 and 44)

JVB Corporation bought equipment on January 1, 2020. The equipment cost is \$270,000 and had an expected residual value of \$30,000. The corporation has estimated the life of the equipment to be 6 years.

42. The total depreciable cost of the equipment is

- a. \$270,000
- b. \$240,000
- c. \$300,000
- d. \$45,000

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