

FINAL COMPREHENSIVE EXAM

FCE for three programs under Business Administration department will be done from 70 questions. Students will be provided with a pool of 350 multiple-choice questions. The exam will contain fields taken as compulsory courses during the education.



PROGRAM OF BUSINESS ADMINISTRATION

Profile	Number of questions in exam	Number of questions in pool
Marketing	18	90
Management	11	55
Accounting	11	55
Operations Management	15	75
Finance	4	35
Economics	7	20
Law	4	20
Total	70	350

Marketing (Marketing 1, Marketing 2, Sales Techniques, Consumer Behavior)

1. In — selling salespeople will have areas or specific geographical locations assigned for them and specific accounts will also be designated.
 - a. Business selling
 - b. technical selling
 - c. trade sales
 - d. Missionary sales
2. ____ the sales representative are responsible for selling the manufactured goods to the wholesale dealers as well as retail traders.
 - a. Business selling
 - b. technical selling
 - c. trade sales
 - d. Missionary sales

3. Present new idea to decision-makers is ____skills of sales executive
 - a. Communication
 - b. Influence and persuasion
 - c. Negotiation
 - d. Prioritizing and goal setting.
4. Communicate the high value of services over the competition is a part of
 - a. Communication
 - b. Influence and persuasion
 - c. Negotiation
 - d. Prioritizing and goal setting.
5. A key factor in the retail purchase of jewellery is the customer's confidence in the ____
 - a. store
 - b. durability
 - c. Availability
 - d. sales associate.
6. All store employees are set ____ performance standards and commit to goals
 - a. Daily
 - b. Weekly
 - c. Monthly
 - d. Yearly
7. ____are directed towards proposed expenditures for new projects and often require special financing
 - a. capital budget
 - b. Marketing budget
 - c. Finance budget
 - d. HR budget
8. Budgeting is closely connected with ____
 - a. Planning

- b. Implementation
 - c. control
 - d. Directing
9. Inbound logistics is
- a. a flow material from manufacturer to distributor
 - b. a flow of material from distributor to retailer
 - c. a flow of goods from retailer to consumer
 - d. a flow of raw materials from suppliers to manufacturers.
10. ____ plays a dominant role in SCM.
- a. Production
 - b. product development
 - c. logistics
 - d. competitors
11. ____ marketing is responsible for ensuring that product in distributor and reseller locations gets sold out.
- a. channel
 - b. Tele
 - c. online
 - d. POS
12. A channel marketing manager is typically responsible for the ____ function.
- a. sell in
 - b. Sell-through
 - c. sales budgeting
 - d. sales control
13. Kiosk is an example of
- a. wholesaling
 - b. retailing
 - c. franchising
 - d. Buying organizations

14. Department stores are examples of
 - a. wholesaling
 - b. retailing
 - c. franchising
 - d. Buying organizations
15. ____ supply chains have an agenda to produce to optimize capacity and labour.
 - a. Self-monitored supply chains
 - b. Outsourced supply chains
 - c. Production oriented supply chains
 - d. financial oriented supply chain
16. ____ are known as cash to cash cycle
 - a. Self-monitored supply chains
 - b. Outsourced supply chains
 - c. Production oriented supply chains
 - d. financial oriented supply chains
17. The ____ perspective involves identifying the necessary resources with which the balance may be achieved
 - a. human resource
 - b. financial
 - c. tactical
 - d. system
18. The ____ is supply chain development in which the supply chain strategy and plans for implementation are evolved.
 - a. first phase
 - b. second phase
 - c. third phase
 - d. fourth phase
19. Supply chains can be tremendous assets to companies and their vendors but often they come with a _____.

- a. Place
 - b. Price
 - c. Product
 - d. Promotion
20. _____ has led to a greater emphasis on customer service.
- a. Demand
 - b. Supply
 - c. Promotions
 - d. competition
21. _____ is recognized as a low cost and effective method for communicating with corporate customers due to increasing cost.
- a. personal selling
 - b. Sale promotion
 - c. Public relations
 - d. direct marketing
22. _____ in which poor performers must make a decision themselves to either recommit themselves to perform the necessary behaviours and activities leave the company immediately
- a. the intersection of choice
 - b. follow the leader
 - c. stepping up
 - d. Desk jockey
23. Number of FTE terminations divided by the total number of FTE at the beginning of the performance period is
- a. Revenue per full-time equivalent
 - b. Compensation cost as a percentage of revenue
 - c. Turnover percentage
 - d. Operating profit percentage

24. No system of planning can be successful without having an ____ and ____ system of control
- Effective and productive
 - effective and efficient
 - efficient and productive
 - effective and strategic
25. Companies have implemented supply chain philosophies and tools to ensure ____ competitiveness
- product
 - price
 - place
 - promotion
26. Any party which exerts significant influence over the purchase decision is known as
- End customers
 - Key influencers
 - Suppliers
 - Marketing channels
27. In commerce, a retailer buys goods or products in large quantities from ____, either directly or through wholesalers and then sells individual items or small quantities to the general public
- wholesalers
 - retailers
 - organization buyers
 - manufacturers
28. ____ management directs and transforms a firm's resources in order to design, purchase, produce and deliver high-quality goods
- production
 - financial

- c. supply chain
 - d. operational
29. The ____ management approach enables a company to respond to market changes
- a. Financial
 - b. production
 - c. value chain
 - d. research and development
30. Product warranty is an element of
- a. Pre transaction
 - b. Transaction
 - c. Post-transaction
 - d. External factors of the transaction
31. _____ contains division-wide information and cheaper than a data warehouse.
- a. Data mining
 - b. Data collection
 - c. Data synthesis
 - d. Datamart
32. By maintaining contact after the sale the seller is in a position to become more accepted by the customer, which invariably leads to the ____
- a). Learn about competitors
 - b) Learn about Society
 - c) Learn about Market
 - d) Salesperson learn more about the customer and its choice
33. Consumer sales promotions encompass a variety of ____ designed to induce customers to respond in some way.
- a) Short term promotion Techniques
 - b) Long Term Sales promotion methods

- c) Improved employee morale
 - d) Customized Performance
34. What is the role of the sales manager is an effective pathway to generate sales.
- a. Manage sales
 - b) manage employees
 - c) manage resources
 - d) Manage Records
35. Many products benefit from customers being shown how products are used through a ____.
- a) Exhibition
 - b) Shows
 - c) demonstration
 - d) Display
36. There are ____ types of consumer sales promotions
- a) 11
 - d) 12
 - b) 13
 - c) 15
37. POP stands for ____.
- a) Point of Production
 - b) Competitive Gaps
 - c) Point of Purchase
 - d) Implementation Gaps
38. Any individual who purchases goods and services from the market for his/her end-use is called
- a.....
 - a. Customer
 - b. Purchaser
 - c. Consumer
 - d. All these

39. ----- is nothing but willingness of consumers to purchase products and services as per their taste, need and of course pocket.
- a. Consumer behavior
 - b. Consumer interest
 - c. Consumer attitude
 - d. Consumer perception
40. ----- is a branch which deals with the various stages a consumer goes through before purchasing products or services for his end use.
- a. Consumer behavior
 - b. Consumer interest
 - c. Consumer attitude
 - d. Consumer perception
41. ----- refers to how an individual perceives a particular message
- a. Consumer behavior
 - b. Consumer interest
 - c. Consumer attitude
 - d. Consumer interpretation.
42. “----- is the action and decisions process or people who purchase goods and services for personal consumption.”
- a. Consumer behavior
 - b. Consumer interest
 - c. Consumer attitude
 - d. Consumer interpretation.
43. _____ emphasize(s) that profitable marketing begins with the discovery and understanding of consumer needs and then develops a marketing mix to satisfy these needs.

- a. The marketing concept
 - b. The strategic plan
 - c. The product influences
 - d. The price influences.
44. _____ is one of the most basic influences on an individual's needs, wants, and behaviour.
- a. Brand
 - b. Culture
 - c. Product
 - d. Price
45. In terms of consumer behaviour; culture, social class, and reference group influences have been related to purchase and _____.
- a. Economic situations
 - b. Situational influences
 - c. Consumption decisions
 - d. Physiological influences
46. Many sub-cultural barriers are decreasing because of mass communication, mass transit, and a _____.
- a. Decline in the influence of religious values
 - b. Decline in communal influences
 - c. Strong awareness of brands in the market
 - d. Strong awareness of pricing policies in the market.
47. _____ develop on the basis of wealth, skills and power.
- a. Economical classes
 - b. Purchasing communities
 - c. Competitors
 - d. Social classes.

48. Which of the following is NOT a part of marketing communication mix?

- a. Telemarketing
- b. Public relations
- c. Sales promotion
- d. Advertising

49. Which of these steps is related with selection of research design?

- a. Specifying research objectives and confirm the information value
- b. Interpreting data to create knowledge
- c. Developing the sampling design and sample size
- d. Collecting and preparing data

50. During which step of the marketing segmentation, targeting, and positioning process does the firm —develop a marketing mix for each segment?

- a. market segmentation
- b. market targeting
- c. market positioning
- d. The firm does not go through the development during any of the above steps.

51. A products position is located in the minds of _____.

- a. Advertiser
- b. Salesman
- c. Consumer
- d. All of these

52. Narrowly focused markets that are defined by some special interest are termed as _____.

- a. Target markets
- b. Mass markets
- c. Niche markets
- d. Undifferentiated markets.

53. _____ is the process of evaluating each market segment's attractiveness and selecting one or more segments to enter.

- a. Mass marketing
- b. Market segmentation
- c. Market targeting
- d. Market positioning

54. Which factor given below is not the reason for quitting marketing research project?

- a. Research knowledge of staff
- b. Costs outweigh the value
- c. Insufficient time frames
- d. Inadequate resources

55. It is a fact that there are 32.5 million left-handed people in the India. However, most marketers do not attempt to appeal to or design products for this group because there is little in the way of census data about this group. Therefore, this group fails in one of the requirements for effective segmentation.

Which of the following is most likely to apply in this case?

- a. actionable
- b. substantial
- c. differentiable
- d. measurable

56. Micromarketing includes:

- a. segment marketing and niche marketing.

- b. mass marketing and demographic marketing.
- c. local marketing and individual marketing.
- d. individual marketing and self-marketing.

57. Which are the types of marketing research firm?

- a. Positioned, Online
- b. Syndicated, Nonsyndicated
- c. Customized, Standardized
- d. Targeted, Segmented

58. Readiness stage and attitude towards product are major segmentation variable in which category?

- a. Geographic
- b. Behavioral
- c. Demographic
- d. Psychographic

59. Mercedes offers the SLK, CLK, A' and B' series. These are product _____ which together make up the product

_____.

- a. Items, depth
- b. Lines, depth
- c. Lines, width
- d. Items, width

60. The AIO (activities, interests, opinions) questions are used for analyzing which of the following types of segmentation?

- a. Benefit
- b. Psychographic
- c. behavioral
- d. Psychoanalytic

61. The strategy of choosing one attribute to excel at to create competitive advantage is known as (the):

- a. Unique selling proposition.
- b. Underpositioning.
- c. Overpositioning.
- d. Confused positioning.

62. All of the following would be considered to be in a company's microenvironment EXCEPT:

- a. Marketing channel firms.
- b. Political forces.
- c. Publics.
- d. Customer markets.

63. _____ help the company to promote, sell, and distribute its goods to final buyers.

- a. Marketing intermediaries
- b. Competitor networks
- c. Suppliers
- d. Service representatives

64. If your company were to make a product, such as a suit of clothes, and sell that product to a retailer, your company would have sold to the _____ market.

- a. reseller
- b. business
- c. government
- d. service

65. A _____ is any group that has an actual or potential interest in or impact on an organization's ability to achieve its objectives.

- a. competitive set
- b. marketing intermediary
- c. supplier
- d. public

66. Your marketing department is currently researching the size, density, location, age, and occupations of your target market. Which environment is being researched?

- a. demographic
- b. psychographic
- c. economic
- d. geographic

67. Marketing Environment analysis helps to –

- a. Avoid costly mistakes of reacting too slowly
- b. Identify tomorrow's opportunities
- c. Both A and B
- d. None of the above

68. The clothing retailer Top Shop tries to appeal to the style-conscious, independent girl- ie. the "fashion junkie" who goes shopping every week in pursuit of the latest hot fashions. What kind of market segmentation is being used by Top Shop?

- a. socio-economic segmentation
- b. psychographic segmentation
- c. religious segmentation
- d. demographic segmentation

69. Wants can become demands if they are backed by

- _____.
- a. Products
 - b. Consumer research
 - c. Needs
 - d. Buying power

70. The process of determining target customers' needs and delivering desired satisfactions more effectively and efficiently than competitors is called _____.

- a. The marketing concept
- b. The product concept
- c. The production concept
- d. The selling concept

71. In order to carry out a SWOT analysis, a company must

- _____.
- a. Identify the main threats in the external environment
 - b. Identify the company's main internal weaknesses
 - c. Identify the main opportunities in the external environment
 - d. All of the above

72. What does SBU stand for?

- a. Single business unit
- b. Strategic business unit
- c. Sales business unit
- d. Strategic buying unit

73. What is defined as “An intranet for a select group of managers who are decision makers in the company”?
- Executive dashboard
 - Focus group
 - Census
 - Monitoring
74. Which part of the marketing plan presents the approach that will be used to meet the plan's objectives?
- Action programs
 - Marketing strategy
 - SWOT and issue analysis
 - Current marketing situation
75. What is a company's marketing environment?
- The climate and nature
 - Actors and forces outside of a company and the marketing functions that affect marketing management
 - The marketing department within a company
 - The land area around a company's headquarters
76. What are marketing intermediaries?
- Banks and credit unions
 - Competitors that come between a company and its customers
 - Firms that help the company promote, sell and distribute its goods to final buyers
 - Wholesalers
77. What is the name for any group that has actual or potential interest in or impact on an organization’s ability to achieve its objectives?

- a. Publics
- b. Suppliers
- c. Competitors
- d. Customers

78. Which of the main stages of Marketing Strategy perceptual maps directly linked with?

- a. Segmentation
- b. Targeting
- c. Positioning
- d. Differentiation

79. Changing consumer spending patterns is an element of which environment?

- a. Political
- b. Demographic
- c. Cultural
- d. Economic

80. The marketing information system (MIS) begins and ends with _____.

- a. Consumers
- b. Information technologies
- c. Marketing intelligence
- d. Marketing managers

81. What are secondary data?

- a. Information based solely on rumors
- b. Information that has already been collected and recorded for another purpose and is thus readily accessible
- c. Information based on second-rate research

d. Information that has been collected for the specific purpose at hand.

- 82. (Open Questions) Consumer behavior factors
- 83. (Open Questions) Buying decision process.
- 84. (Open Questions) Buying decision process.
- 85. (Open Questions) Buying decision process.
- 86. (Opens Questions) Marketing mix.
- 87. (Opens Questions) Marketing mix.
- 88. (Opens Questions) Consumer and business markets.
- 89. (Opens Questions) Personal selling.
- 90. (Opens Questions) Personal selling.

Management (Introduction to Business, Essentials of Organizational Behavior, Management and Organization, Human Resource Management)

Alia, the manager of a pet store, notices that most of the goods that come to her store are packed in high-quality cardboard boxes which are later discarded. She comes up with a plan and instructs her employees to use the cardboard boxes for making scratching boards for cats. She then sells the scratching boards at a price much lower than the other branded versions available in the market. Which of the following describes Alia's planning?

- a) Action oriented
- b) Priority oriented
- c) Advantage oriented

d) Change oriented

92. Tim places an online order for a smartphone. Instead, he is shipped a dishwashing liquid from a brand-named Bling by the seller. Tim posts this incident on a social networking site and it is soon picked up by the media. Richard, the sales manager of Bling, hears about this incident and plans to use it as an opportunity for creating brand awareness of Bling products. Accordingly, he makes arrangement to send Tim the smartphone that he had originally ordered along with two more bottles of Bling dishwashing liquid. When this news reaches the media, people applaud Bling's gesture and Richard achieves his goal of creating brand awareness. Which of the following plans did Richard use in the scenario?

a) Financial plan

b) Facilities plan

c) Tactical plan

d) Production plan

93. Sally, a manager at Purple Inc., has just been told that the funds which were left unused in the previous year's budget will not carry over into the current year. Thus, Sally will most likely have to use a _____.

a) project budget

b) flexible budget

c) fixed budget

d) zero-based budget

94. At Home Décor Inc., the production manager demands zero defects on all raw materials received from its vendors. Which of the following concepts does this scenario illustrate?

a) Output standard

b) Feedback control

c) Input standard

d) Historical standard

95. UPS carefully measures the routes and routines of its drivers to establish the time expected for each delivery. When a delivery manifest is scanned as completed, the driver's time is registered in an electronic performance log that is closely monitored by supervisors. In this scenario, UPS uses

_____.

a) historical comparisons

b) engineering comparisons

c) local comparisons

d) relative comparisons

96. Which of the following scenarios illustrates concurrent control?

- a) Susan, the customer care manager in an amusement park, actively seeks feedback from visiting tourists.
- b) Jean, the manager in a restaurant, ensures that the vegetables used in cooking are organic.
- c) Rebecca, the supervisor in a toy factory, gives suggestions to workers when they look for new designs.
- d) Joshua, the stock manager in a steel factory, checks every evening whether adequate stocks are available for the next day's operations.

97. Your roommate wants to learn about organization charts. You can tell her that an organization chart can tell you all of the following about an organization **EXCEPT** its:

- a) division of work.
- b) formal structure.
- c) reporting relationships.
- d) control mechanisms.

98. At Ink Pens Manufacturing (IPM), there are departments for marketing, engineering, and manufacturing. Which of the following structures does IPM exemplify?

- a) A matrix structure
- b) A cross-functional structure
- c) An informal structure

d) A functional structure

99. Big Money Bank has several branches that are headed by branch managers. The loan manager, investments manager, operations manager, and trust manager in each branch report directly to the branch manager. This scenario is an example of a _____.

- a. dysfunctional structure
- b. matrix structure
- c. network structure
- d. product structure

100. Community Bank Inc. currently operates with a functional structure. A lack of communication across functional departments has affected the performance of the employees. This scenario illustrates the concept of:

- a) matrix structure.
- b) top-down structure.
- c) functional chimneys.
- d) cross-functional team.

101. Maria, the vice-president of operations at Choco Candy, Inc. (CCI), plans to create new divisions of CCI in China, India, and Malaysia. In this scenario, Maria develops a _____ for CCI.

- a) product structure
- b) geographical structure

- c) team structure
- d) service structure

102. ABC Inc. uses information technology to connect with outside suppliers and service contractors. In this scenario, which of the following structures does ABC Inc. use?

- a) A cross-functional structure
- b) A matrix structure
- c) A network structure
- d) A horizontal structure

103. ABC and XYZ, two organizations in the same industry, have come together to pursue areas of mutual interest. This scenario exemplifies a(n):

- a) unethical venture.
- b) acquisition.
- c) corporate takeover.
- d) strategic alliance.

104. Remote Servicing Inc. (RSI) has a flat organizational structure. In this scenario, managers at RSI would have a _____ span of control.

- a) tall

- b) flat
- c) wide
- d) narrow

105. A manager from LMT Corporation allows her employees to do their jobs as they see fit. This scenario illustrates the concept of:

- a) span of control.
- b) centralization.
- c) empowerment.
- d) organizational design.

106. At AZN Media Inc., each job is split between at least two people. This scenario illustrates:

- a) job enlargement.
- b) job enrichment.
- c) job sharing.
- d) teamwork.

107. The senior managers of West Corp. do not have private offices or parking spaces. This is an example of the organization's _____.

- a) corporate policy

- b) employee training
- c) performance appraisal
- d) observable culture

108. Netflix turned movie rental into a subscription business; eBay earns revenues by connecting users of its online marketplace; Google thrives on advertising revenues driven by ever-expanding Web technologies. These are all examples of _____.

- a) process innovations
- b) virtual innovations
- c) business model innovations
- d) green innovations

109. Gene pursues creative and innovative ways to solve social problems. Hence, we can say that Gene participates in _____.

- a) social responsibility
- b) social entrepreneurship
- c) green innovation
- d) commercializing innovation

110. If ABC, Inc. is focusing on a major and comprehensive redirection of the company, it is called a(n) _____ change.

- a) innovative
- b) planned
- c) transformational
- d) incremental

111. Jake is a change leader who is responsible for bringing about a transformational change in his organization. He forces resisters to accept change by threatening them with a variety of undesirable consequences if they do not cooperate. Which of the following approaches is used by Jake to deal with the resistance to change?

- a) Education and communication
- b) Participation and involvement
- c) Manipulation and cooptation
- d) Explicit and implicit coercion

112. Mary's manager has told her that if she can complete her project on time, she will get an extra bonus of \$10,000.

Mary's manager is using _____.

- a) expert power
- b) reward power
- c) manipulative power

d) referent power

113. Jason, a manager, directs the efforts of others through tasks, rewards, and structures. He uses the _____ approach to leadership.

a) transformational

b) participative

c) human relations

d) transactional

114. Your manager says that he will refuse your request for the weekend off to attend a concert unless you work the night shift for the rest of the week. In this case, he is using _____.

a) legitimate power

b) reward power

c) expert power

d) coercive power

115. Susan, a manager at ABC International, focuses on authority and obedience, delegates little, and acts in a unilateral command-and-control fashion. Susan can be described as a(n) _____.

a) democratic leader

b) human relations leader

c) laissez-faire leader

d) autocratic leader

116. Mason, the director of engineering at Frost Inc. was very impressed that Blake, a production engineer, had not missed a single day of work in the past 12-month period. Mason rated Blake very high on all dimensions of his performance appraisal just based on this one aspect of Blake's performance. This error in the performance appraisal process is known as

a) _____.

a) halo effect

b) empathy

c) contrast error

d) leniency error

e) statutory effect

117. Toni, Loni, Tani, and Xoni have natural affinities for one another. They tend to work together, sit together, take breaks together, and even do things together outside of the workplace. This is an example of which of these groups?

a) Interest groups

b) Affiliation groups

c) Friendship groups

d) Connection groups

d) Formal groups

118. When Mira offers pay raises, bonuses, special assignments, and compliments as incentives to her subordinates, she is utilizing which of these?

- a. Legitimate power
- b. Expert power
- c. Coercive power
- d. Referent power
- e. Reward power

119. According to the law of contingent reinforcement, to have maximum reinforcement value, a reward must be delivered only _____.

- a) by an employee's superior
- b) if it is coupled with public recognition
- c) if the employee receiving the reward is in the presence of other coworkers
- d) if it has a monetary value
- e) if the desired behavior is exhibited

120. A state of inconsistency between an individual's attitudes and behavior is known as

- a) emotional labor.
- b) emotional contagion.
- c) cognitive dissonance.
- d) emotional intelligence.
- e) the spillover effect.

121. In 2016, Microsoft announced that it would buy LinkedIn for \$26.2 billion, in an all cash deal, making it the 6th largest deal of its kind on record. This is an example of:

- a hostile takeover
- an acquisition
- a partnership
- a licensing agreement

122. Partnerships have several advantages over sole proprietorships including:

- partners are provided with certain marketing materials and support including training.
- the partners are not liable for business debts.
- partnerships are significantly less likely to fail than sole proprietorships.
- the partners bring diverse skills and perspectives.

123. Which of the following is a legal entity completely separate from the entities who own it?

- sole proprietorship
- limited liability partnership
- corporation
- general partnership

124. A general partnership:

- assumes profit, liability and management duties are divided equally among partners.
- is similar to a corporation because the business has to pay corporate taxes.
- requires one partner to manage the business (a general manager) and other partners contribute skills and financing to support the business.
- a board of directors resolves disputes among the partners.

125. Which of these alternatives does not classify a company according to their function:

- Manufacturing companies
- Small and Medium Enterprises
- Service companies
- Marketing and Retail Companies

126. There are many ways that a business can reach the global market, the most intensive approach is through:

- Licensing Agreement.
- Franchise Agreement.
- exporting goods.
- Foreign Direct Investment.

127. In your country rubber trees are abundant and you can trade them very profitably for technology products, which you cannot produce profitably in your country.

Your abundant rubber trees give you:

- absolute advantage.
- economies of scale.

- a stable economy.
- a comparative advantage

128. The point of a business cycle fluctuation during which growth slows, unemployment increases, and pricing pressures subside is called a(n):

- expansion.
- contraction
- peak.
- trough.

129. When more goods and services are imported than exported it is known as a:

- Trade surplus
- Balance of trade
- Trade Imbalance
- Trade deficit

130. What does Gross Domestic Product measure?

- Unemployment rate
- Budget surplus
- Value of goods and services produced by a country
- Budget deficit

131. You are employed by an automaker specializing in electric cars. As a production line supervisor your technical management skills will include:

- understanding self-awareness.
- formulating strategies, objectives, and policies.
- developing relationships with your team members.
- understanding electricity storage in batteries.

132. What is one of the benefits of specialization in labor?

- Workers who specialize in certain tasks often learn to produce more quickly and with higher quality.
- It allows workers to understand the overall process of producing a product or service.
- Employees working on a variety of tasks will find that they are better at some than at others.
- Specialization in labor leads to lower employment costs.

133. In a functional structure, communication generally occurs within each functional department and is transmitted across departments through:

- the CEO.
- Chief Communication Officer.
- team leads.
- department heads.

134. An approach of open communication and collaborative decision making suggests which type of leadership?

- autocratic leadership
- laissez-faire leadership
- democratic leadership
- delegative leadership

135. The first three steps in the controlling process include:

- comparing performance to standards; setting standards; taking corrective action.
- measuring performance; taking corrective action; revising performance standards.
- reviewing current processes, comparing processes to industry benchmarks, taking corrective action.
- setting standards; measuring performance; comparing performance to standards.

136. The organizing function of managers involves:

- not allocating resources needed to perform assigned activities.
- assigning activities identified in the planning process to some person, team or department.
- determining strategic priorities for the organization as a whole.
- determining how to most effectively utilize financial resources.

137. Humans need to feel a sense of belonging and acceptance, whether it comes from a large group or a small network of family and friends. Maslow labeled this as

- Social needs.
- Self-esteem needs
- Self-actualization.
- Safety needs.

138. When a need is met, Maslow argues that

- Self-esteem will become more important.
- Self-actualization will become more important.
- Social needs become more important.
- it will no longer serve a motivating function.

139. Today is Jerry's first day at his new job as a cashier at the local grocery store. When he arrives in the morning one of his new colleagues explains that Jerry will spend some time watching his colleague use the cash register while the colleague explains what he is doing. Then, after break time, it will be Jerry's turn to start acting as cashier, with his colleague right next to him to show him how to use the machine properly and conduct transactions with customers. Once he feels confident and learns this new skill, Jerry will be able to operate the cash register on his own. This is an example of:

- on-the-job training.
- off-the-job training.
- professional development.

- personal development.

140. _____ is the process of identifying suitable candidates and encouraging them to apply for job openings in the organization.

- Firing
- Recruiting
- Training
- Hiring

141. (Open Question) For both cases you need to work on the existing FCE format

142. (Open Question) Improving Team Decisions

143. (Open Question) Diversity

144. (Open Question) Job Enlargement and Job Rotation

145. (Open Question) Expectancy Theory of Motivation

Accounting (Introduction to Accounting, Cost Accounting, Managerial Accounting, Financial Accounting I and II)

146. Starlight, a broadways media firm, uses the balance sheet approach to estimate uncollectible accounts expense. At year-end and aging of the accounts receivable produced the following five groups, and Allowance for Doubtful Accounts

credit balance is \$32.000: Which of the following shows the correct amount of the doubtful accounts at the end of year?

Not Yet Due	\$500,000	1%
1-30 Days past Due	\$110,000	3%
31-60 Days past Due	\$50,000	10%
61-90 Days past Due	\$30,000	20%
Over 90 Days past Due	\$60,000	50%
Total	\$750,000	

- a) 35.000
- b) 39.300
- c) 17.300
- d) 49.300

147. Which of the following is a cost flow assumption in the calculation of COGS for inventories?

- a) Net Cost Method
- b) LIFO
- c) Periodic Inventory
- d) Specific Identification

148. Which of the following valuation principle is applied to 'Accounts Receivable'?

- a) Current Market Value
- b) Face Amount
- c) Collectible Amount
- d) LCM

149. If there is a difference between in the balance of Marketable Securities and their current market value, which account should be used for adjustment?

- a) Gain/Loss from write-downs
- b) Unrealized Holding gain/loss of investments
- c) Gain/Loss from sale of investments
- d) None of them

150. Which of the following valuation principle is applied to 'Inventories'?

- a) Current Market Value
- b) Par Value
- c) Net Realizable Value
- d) LCM

151. On 1 November 2009 EPK Company borrows 100.000 Euros from a bank by the issuing a note for a period of 6 months at an annual interest rate of %12. Which of the following journal entry shows the borrowing for EPK Company?

- a.
- | | | | |
|---------------|---|---------|-------|
| | / | _____ | _____ |
| Cash | | 100.000 | |
| Notes Payable | | 100.000 | |
| | | _____ | _____ |
- b.
- | | | | |
|------|---|---------|-------|
| | / | _____ | _____ |
| Cash | | 100.000 | |

Accounts Payable 100.000

_____ _____
/ /

c.

Cash 100.000

Notes Receivable 100.000

_____ _____

d.

/ /

Cash 106.000

Notes Payable 106.00

152. According to transaction given in question 19,
which of following journal entry belongs to settlement
of borrowing by Company?

a) / /
Notes Payable 100.000
Cash 100.000

b) / /
Notes Payable 100.000
Interest Expense 6.000
Cash 106.000

c) / /
Notes Payable 100.000
Interest Expense 4.000
Interest Payable 2.000

Cash	106.000			

d) /				
Notes Payable	100.000			
Interest Expense		2.000		
Interest Payable	4.000			

Cash	106.000			

153. On 31 March 2010 ABC Company was established by Mr. A, Mr. B and Mrs. C. On that day, each partner committed to pay 100.000 Euros in 2010. On 1 July 2010 all the partners paid their commitments in cash. Which of following journal entry belongs to 31 March 2010?

a) /				
Unpaid Capital	300.000			
Capital Stock		300.000		

b) /				
Cash	300.000			
Capital Stock		300.000		

c) /				
Unpaid Capital	100.000			
Capital Stock		100.000		

d) /

		300.000
Capital Stock		
Unpaid Capital		300.000

154. According to transaction given in question 21, which of following journal entry belongs to 1 July 2010?

a) /

Unpaid Capital	300.000	
Cash		300.000

b) /

Cash	300.000	
Unpaid Capital		300.000

c) /

Unpaid Capital	300.000	
Capital Stock		300.000

d) /

Cash	300.000	
Capital Stock		300.000

155. Mercury Corp. decides to issue 500.000 shares of \$10 par value each on 26 July 2010. On 22 August 2010,

underwriter sent a memo explaining that shares were sold for \$11 each and money transferred.

Which of the following accounting treatment is correct regarding this transaction?

- a. Cash accounts is debit \$5M on 26 July.
- b. Share Premiums account is credit \$500K
- c. Cash account is debit \$5M on 22 August
- d. Unpaid Capital account is credit \$5,5M

156. On June 1 Aspen Corp. has outstanding 200.000 shares of \$1 par value of common stock with a market value of \$5 per share. On this date company declared and distributed a 5% stock dividend. Which of the following accounting treatment is correct regarding this transaction?

- a. Cash accounts is debit \$50K.
- b. Capital Stock is debit \$50K
- c. Retained Earnings is debit \$10K.
- d. Retained Earnings is debit \$50K.

157. CBA Corp. has 100.000 outstanding shares par value \$1 and 50.000 preferred shares par value \$10, additional paid-in capital 250.000\$, legal reserves \$200.000. Total assets of company \$1.400.000 and total liabilities are \$300.000. According to this information, how much retained earnings CBA has?

- a. \$350.000
- b. \$150.000
- c. \$50.000

d. \$250.000

158. According to information given in question 25, what is the total of shareholder's equity section in the balance sheet?

a. \$1.100.000

b. \$1.400.000

c. \$250.000

d. \$100.000

159. According to income statement and balance sheet of April Corp in 2010. Net sales are \$200.000 and Accounts Receivable is \$90.000 in 2010 and \$10.000 in 2009. How much cash collected from customers in 2010?

a) \$80.000

b) \$120.000

c) \$200.000

d) \$100.000

160. Which of the following is used as starting item in preparation of the cash flows statement by indirect method

a) Net Income

b) Net Sales

c) Operating Income

d) COGS

161. Which of the following is not a section in Cash Flows Statement

- a) Operating Activities
- b) Financing Activities
- c) Investing Activities
- d) Selling Activities

162. Company has a vehicle which has \$30,000 acquisition cost, ten years useful life and \$2,000 residual value. According to straight method depreciation; how much depreciation expense should be recognized for each year?

- a) \$6,000
- b) \$1,400
- c) \$2,800
- d) \$3,000

163. Which of the following ratio is used to measure liquidity of a company?

- a) Debt ratio
- b) Current ratio
- c) Operating Income ratio
- d) Dividend yield ratio

164. Operating Income/Average Total Assets is used to measure

- a) Productivity of the equity investment
- b) Productivity of the assets of company
- c) Productivity of sales
- d) Effectiveness of assets of the company

165. Net Income/Average shares of outstanding capital gives following;
- a) Earnings per share
 - b) Return on Equity
 - c) Return on Asset
 - d) Dividend yield
166. Which of the following statements about users of accounting information is incorrect?
- a) Management is an internal user.
 - b) Taxing authorities are external users.
 - c) Present creditors are external users.
 - d) Regulatory authorities are internal users.
167. Liabilities of a company would not include
- a) accounts receivable.
 - b) accounts payable
 - c) notes payable
 - d) salaries and wages payable
168. All of the financial statements are for a period of time except the
- a) income statement.
 - b) statement of financial position.
 - c) statement of cash flows.
 - d) retained earnings statement.

169. The financial statement that reports assets, liabilities, and equity is the:

- a) income statement.
- b) retained earnings statement.
- c) statement of financial position.
- d) statement of cash flows.

170. As of December 31, 2014, Stoneland Company has assets of €3,500 and equity of €2,000. What are the liabilities for Stoneland Company as of December 31, 2014?

- a) €1,500
- b) €1,000
- c) €2,500
- d) €2,000

171. Credits

- a) increase both assets and liabilities.
- b) decrease both assets and share capital.
- c) increase liabilities and decrease assets.
- d) decrease both assets and liabilities.

172. Accounts that normally have debit balances are:

- a) assets, expenses, and revenues.
- b) assets, expenses, and share capital—ordinary.
- c) assets, liabilities, and dividends.
- d) assets, dividends, and expenses.

173. Which of the following statements about a journal is false?

- a) It is not a book of original entry.
- b) It provides a chronological record of transactions.
- c) It helps to locate errors because the debit and credit amounts for each entry can be readily compared.
- d) It discloses in one place the complete effect of a transaction.

174. A ledger:

- a) contains only asset and liability accounts.
- b) should show accounts in alphabetical order.
- c) is a collection of the entire group of accounts maintained by a company.
- d) is a book of original entry.

175. The purchase of supplies on account should result in:

- a) a debit to Supplies Expense and a credit to Cash.
- b) a debit to Supplies Expense and a credit to Supplies.
- c) a debit to Supplies and a credit to Accounts Payable.
- d) a debit to Supplies and a credit to Accounts Receivable.

176. Posting:

- a) normally occurs before journalizing.
- b) transfers ledger transaction data to the journal.
- c) is an optional step in the recording process.
- d) transfers journal entries to ledger accounts.

177. Before posting a payment of €5,000, the Accounts Payable of Senator Company had a normal balance of €16,000. The balance after posting this transaction was:

- a) €21,000.
- b) €5,000.
- c) €11,000.
- d) Cannot be determined.

178. The trial balance of Clooney Corporation had accounts with the following normal balances: Cash \$5,000, Service Revenue \$85,000, Salaries and Wages Payable \$4,000, Salaries and Wages Expense \$40,000, Rent Expense \$10,000, Share Capital—Ordinary \$42,000, Dividends \$15,000, and Equipment \$61,000.

In preparing a trial balance, the total in the debit column is:

- a) \$131,000.
- b) \$216,000.
- c) \$91,000.
- d) \$116,000.

179. The revenue recognition principle states that:

- a) revenue should be recognized in the accounting period in which a performance obligation is satisfied.
- b) expenses should be matched with revenues.
- c) the economic life of a business can be divided into artificial time periods.
- d) the fiscal year should correspond with the calendar year.

180. Adjusting entries are made to ensure that:

- a) expenses are recognized in the period in which they are incurred.

- b) revenues are recorded in the period in which services are provided.
- c) statement of financial position and income statement accounts have correct balances at the end of an accounting period.
- d) All the responses above are correct.

181. The trial balance shows Supplies \$1,500 and Supplies Expense \$0. If \$800 of supplies are on hand at the end of the period, the adjusting entry is:

- a) Debit Supplies \$800 and credit Supplies Expense \$800.
- b) Debit Supplies Expense \$800 and credit Supplies \$800.
- c) Debit Supplies \$700 and credit Supplies Expense \$700.
- d) Debit Supplies Expense \$700 and credit Supplies \$700.

182. Two common subsidiary ledgers are:

- a. accounts receivable and cash receipts.
- b. accounts payable and cash payments.
- c. accounts receivable and accounts payable.
- d. sales and cost of goods sold.

183. Assets total \$40,000 and Liabilities total \$10,000. The equity of the business must total

- a. \$4,000
- b. \$40,000
- c. \$400
- d. \$30,000

184. Pizzeria Harburg trades in its old motorbike with new one and pays \$3,000. Old motorbike's acquisition cost is \$7,000 and accumulated depreciation on the trading day is \$5,000. The list price of the new motorbike is \$8,000. How much trade allowance was granted to Harburg ?

- a-\$5,000
- b-\$4,000
- c-\$3,000
- d-2,000

185. Which of the following is correct regarding the retirement of plant assets?

- a. Accumulated Depreciation is credit
- b. Plant Asset is credit
- c. Plant Asset is debit
- d. Cash is debit

186. A company buys a medical equipment from abroad. List price is \$4,000; duty tax; \$200 installation \$100 and Value Added Tax (VAT) \$500 What is the acquisition cost of equipment?

- a.\$4,800
- b.\$4,700
- c.\$4,000
- d.\$4,300

187. Company acquires a vehicle at \$80,000 and estimate to use it in next ten years, after ten years the vehicle's value estimated as

\$2,000. According to straight line method depreciation expense for per year will be:

- a. \$8,000
- b. \$7,800
- c. \$8,200
- d. \$7,500

188. Which of the following is a correct statement about liabilities?

- a. A debt falls in due 15 months later is a short term debt.
- b. Unearned revenue is liability as deferred expense.
- c. All liabilities bear interest in settlement date.
- d. While all liabilities require a settlement, the equity does not.

189. In the payroll accounting; When Salary Payable debit and Cash credit is showing that;

- a. Accruing of unpaid salaries.
- b. Accruing of paid salaries.
- c. Making payment of salaries accrued before.
- d. Making payment of salaries did not accrue before.

190. Which of the following statement is incorrect about installment notes payable?

- a. To compute periodic payments an amortization table is used.
- b. At the beginning of period, fixed payments contain more interest than fixed payments in the end.
- c. At the end of period, fixed payments contain more interest.

d. Installment notes payable is shown in the right side of balance sheet.

191. On October 1, Dalton Corp. borrows \$100,000 from National Bank, signing a six-month note payable for that amount, plus interest to be computed at a rate of 9 percent per annum. How much should be paid in maturity?

- a. \$9,000
- b. \$109,000
- c. \$104,500
- d. \$4,500

192. When company buys some supplies from a vendor on account, company credits the following account:

- a. Notes Receivable
- b. Accounts Payable
- c. Notes Payable
- d. Accounts Receivable

193. On April 1, 2010, Sanders Construction paid \$10,000 for equipment with an estimated useful life of 10 years and a residual value of \$2,000. The company uses the double declining-balance method of depreciation and applies the half-year convention to fractional periods. In 2011, the amount of depreciation expense to be recognized on this equipment is:

- a. \$2000
- b. \$1800
- c. \$1000

d. \$900

194. Ladd Company sold a plant asset that originally cost \$50,000 for \$22,000 cash. If Ladd correctly reports a \$5,000 gain on this sale, the accumulated depreciation on the asset at the date of sale must have been:

- a. \$28,000
- b. \$23,000
- c. \$33,000
- d. \$45,000

195. (Open Question) Cost flow methods?

196. (Open Question) Cost of Goods available for sale

197. (Open Question) Compute journal entries

198. (Open Question) Asset/Liability/Equity accounts

199. (Open Question) Journalize transactions by using the given account names.

200.(Open Question) Prepare the Income Statement, Retained Earnings Statement and Statement of Financial Position.

Operations Management (Operations Management)

- 1) Operations Management is responsible for increasing the organization's efficiency, which means the company will be able to _____.
 - a. add to the engineering process
 - b. take for granted current operations
 - c. increase the number of positions under the manager's position
 - d. eliminate activities that do not add value
- 2) The total of all outputs produced by the transformation process divided by the total of the inputs is:
 - a. utilization.
 - b. greater in manufacturing than in services.
 - c. defined only for manufacturing firms.
 - d. multifactor productivity.
- 3) Which is NOT true regarding differences between goods and services?
 - a. Services are generally produced and consumed simultaneously; tangible goods are not.
 - b. Services tend to be more knowledge-based than goods.
 - c. Services tend to have a more inconsistent product definition than goods.

d. Goods tend to have higher customer interaction than services.

4) Maria's House of Pancakes uses four months moving average method to forecast pancake sales. If sales amounted to 1500 pancakes in April, 1000 pancakes in May, 2200 pancakes in June, and 3000 pancakes in July, what should be the forecast for August?

- a. 2400
- b. 2511
- c. 2067
- d. 1925

5) Given forecast errors of -1, 5, 8, 1 and -3, what is the mean absolute deviation?

- a. 20
- b. 3.6
- c. 4
- d. 8

6) Which of the following nets the largest productivity improvement?

- a. increase output 15%
- b. decrease input 15%
- c. increase both output and input by 5%
- d. increase output 10%, decrease input 3%

7) Productivity can be improved by:

- a. increasing inputs while holding outputs steady.
- b. decreasing outputs while holding inputs steady.
- c. increasing inputs and outputs in the same proportion.
- d. decreasing inputs while holding outputs steady.

8) Which of the following are among the 10 strategic operations management decisions?

- I. design of goods and services
- II. managing quality
- III. layout strategy
- IV. marketing
- V. pricing of goods and services

- a. I, II, V
- b. I, II, IV
- c. II, III, V
- d. I, II, III

9) Operations management is applicable:

- a. mostly to the service sector.
- b. to services exclusively.
- c. mostly to the manufacturing sector.
- d. to all firms, whether manufacturing or service.

10) Which of the following are the primary functions of all organizations?

- a. production/operations, marketing, and human resources
- b. marketing, human resources, and finance/accounting
- c. sales, quality control, and production/operations
- d. marketing, production/operations, and finance/accounting

11) Which one of the following products is most likely made in a job shop environment?

- a. rolls of newsprint
- b. customized furniture
- c. television sets
- d. cigarettes

12) A work system has five stations that have process times of 5, 9, 4, 9, and 8. What is the throughput time of the system?

- a. 4
- b. 9
- c. 18
- d. 35

13) An employee produces 15 parts during a shift in which he made \$60. What is the labor cost per unit of the product?

- a. \$90
- b. \$5
- c. \$6
- d. \$4

14) A product-oriented layout would be MOST appropriate for which one of the following businesses?

- a. fast food
- b. steel making
- c. insurance sales
- d. clothing alterations

15) Process A has fixed costs of \$1000 and variable costs of \$5 per unit. Process B has fixed costs of \$500 and variable costs of \$15 per unit. What is the crossover point between process A and process B?

- a. 50 units
- b. 200 units
- c. \$2,500
- d. \$5,000

16) Which of the following companies uses a mass customization approach?

- a. Dell
- b. Harley Davidson
- c. Frito-Lay
- d. Arnold Palmer hospital

17) Break-even is the number of units at which:

- a. total revenue equals price times quantity.
- b. total revenue equals total cost.
- c. total revenue equals total fixed cost.
- d. total profit equals total cost.

18) A full-service restaurant is considering opening a new facility in one of two new cities. The table below shows its ratings of four factors at each of two potential sites.

Factor	Weight	Gary Mall	Belt Line
Affluence of local population	.20	30	30
Traffic flow	.40	50	20
Parking availability	.20	30	40
Growth potential	.20	10	30

The score for Gary Mall is _____

- a. 120
- b. 22
- c. 18
- d. 34

19) A fleet repair facility has the capacity to repair 800 trucks per month. However, due to scheduled maintenance of their equipment, management feels that they can repair no more than 600 trucks per month. Last month, two of the employees were absent several days each, and only 400 trucks were repaired.

What is the utilization of the repair shop?

- a. 86.4%
- b. 95%
- c. 80%
- d. 50%

20) A product-focused process is commonly used to produce:

- a. high-volume, high-variety products.
- b. low-volume, high-variety products.
- c. high-volume, low-variety products.
- d. high-volume products of either high- or low-variety.

21) Frito-Lay is to _____ focus as Harley Davidson is to _____ focus.

- a. process; repetitive
- b. product; repetitive
- c. repetitive; product
- d. process; product

22) Which of the statements below best describes office layout?

- a. positions workers, their equipment, and spaces/offices to provide for movement of information
- b. addresses the layout requirements of large, bulky projects such as ships and buildings
- c. seeks the best personnel and machine utilization in repetitive or continuous production
- d. allocates shelf space and responds to customer behavior

23) Which of the following statements regarding fixed costs is TRUE?

- a. Fixed costs rise by a constant amount for every added unit of volume.
- b. While fixed costs are ordinarily constant with respect to volume, they can "step" upward if volume increases result in additional fixed costs.
- c. Fixed costs are those costs associated with direct labor and materials.
- d. Fixed costs equal variable costs at the break-even point.

24) A product has a demand of 4000 units per year. Ordering cost is \$20, and holding cost is \$4 per unit per year. Find the cost-minimizing solution for this product is to order.

- a.200
- b.190
- c.210
- d. 400

25) For a given product demand, the time-series trend equation is $53 + 4x$. The positive sign on the slope of the equation:

- a. is an indication that product demand is increasing
- b. is an indication that the forecast is biased, with forecast values lower than actual values.
- c. is an indication that product demand is declining.
- d. implies that the coefficient of determination will also be negative.

26) Standardization is an appropriate strategy in which stage of the product life cycle?

- a. introduction
- b. growth
- c. maturity
- d. decline

27) Process X has fixed costs of \$10,000 and variable costs of \$2.40 per unit. Process Y has fixed costs of \$9,000 and variable costs of \$2.25 per unit. Which of the following statements is TRUE?

- a. The crossover point is approximately 6667 units.
- b. It is impossible for one process to have both of its costs lower than those of another process.
- c. Process Y is cheaper than process X at all volumes.
- d. Process X should be selected for very large production volumes.

28) The forecasting technique that pools the opinions of a group of experts or managers is known as:

- a. the expert judgment model.

- b. multiple regression.
- c. jury of executive opinion.
- d. market survey.

29) Reasons to study operations management include learning about:

- a. how people organize themselves for productive enterprise.
- b. how goods and services are produced.
- c. how to manage a costly part of business more efficiently
- d. All of the above

30) East Texas Seasonings is preparing to build one processing center to serve its four sources of seasonings. The four source locations are at coordinates shown below. Also, the volume from each source is provided. What is the center of gravity?(6points)

	X-coordinate	Y-coordinate	Volume
Athens, Texas	30	30	150
Beaumont, Texas	20	10	350
Carthage, Texas	10	70	100
Denton, Texas	50	50	200

- a. $X = 28.125$; $Y = 31.25$
- b. $X = 22000$; $Y = 24000$
- c. $X = 27.5$; $Y = 40$
- d. $X = 25$; $Y = 40$

- 31) What is value-added?
- a. A good needed to complement another good.
 - b. The difference between the cost of inputs and the value or price of outputs.
 - c. The feedback that you get out of your service.
 - d. The measurement of process improvement.
- 32) Which one of the following will always lead to an increase in productivity?
- a. Increase inputs and increase outputs
 - b. Increase outputs and hold inputs constant
 - c. Decrease both inputs and outputs
 - d. Decrease outputs and hold inputs constant.
- 33) Which one is not a layout design consideration?
- a. Higher utilization of space, equipment, and people.
 - b. Improved flow of information.
 - c. Improve working conditions.
 - d. Distinguish consumer preferences

Operations Management: Open Questions

34. (Open Question) Strategic decisions of operations managers

35. (Open Question) Labor Productivity

36. (Open Question) Cause-and-effect diagram

37. ___ Operations Research is applied in situations where there is a need to allocate scarce resources to an organization's operations in an effective manner.
- True
 - False
38. ___ One of the main aims of the OR professionals is to provide a rational basis for decision making and improve system performance.
- True
 - False
39. ___ An optimal solution to a certain problem is such a solution to the model that only minimizes some measure of merit over all feasible solutions.
- True
 - False
40. ___ When constructing a model one should form a logical model with a series of rules.
- True
 - False
41. ___ A solution for which all constraints are satisfied is called infeasible solution.
- True
 - False
42. ___ An optimal solution to a problem is the best solution to that problem.
- True
 - False

43. ___ If the areas in the graphical solution of an LP problem do not intersect or overlap, it means that the problem has no solution.
- True
 - False
44. ___ A slack variable is added to the constraint functions to convert them from greater or equal to less or equal than right-side values.
- True
 - False
45. ___ The tableau method applies straight away to the minimization LP problems.
- True
 - False
46. ___ In the simplex tableau method, the pivot column determines the variable IN, while the pivot row determined the variable OUT.
- True
 - False

47. (Open Questions) Linear Programming

48. (Open Questions) Linear Programming

49. Which of the followings is not among the reasons for Buying materials, components and/or services from suppliers instead of Making them;
- a) Cost Advantage
 - b) Insufficient capacity
 - c) Quality
 - d) Control of transportation and warehousing costs

50. Total Cost of Ownership (TCO) is made up of the costs associated with:

- a. Acquisition of a good or service
- b. Use of a good or service
- c. Maintenance of a good or service
- d. All of the above

51. The order of product & service flow is as follows:

- a. Raw material supplier, retailer, component manufacturer, wholesale distributor, end product manufacturer, end-product consumer
- b. Raw material supplier, component manufacturer, retailer, wholesale distributor, end product manufacturer, end-product consumer
- c. Component manufacturer, raw material supplier, retailer, wholesale distributor, end product manufacturer, end-product consumer
- d. Raw material supplier, component manufacturer, end product manufacturer, wholesale distributor, retailer, end-product consumer

52. Promoting diversity by intentionally buying from small firms or ethnic minority businesses. This is an example of:

- a. Supply base rationalization
- b. Ethical sourcing
- c. Sustainable sourcing
- d. Supply base sourcing

53. The forecasting technique that is based on the assumption that the future is an extension of the past and uses historical data is used to predict future demand is:

- a. Time Series Forecasting
- b. Delphi Method
- c. Consumer Survey
- d. Sales Force Composite

54. The situation in which a supplier's employee acts as both buyer and supplier representative is;

- a) Early Supplier Involvement
- b) Selective sourcing
- c) Supplier co-location
- d) Vendor Managed inventory

55. Which of the followings can be classified as a 3PL?

- a. A company that offers warehousing services
- b. A company that offers transportation services
- c. A company that offers customs clearing services
- d. All of the above

56. If a certain supply chain is made up of: 1. Raw Materials Supplier 2. Components Manufacturer 3. A firm that manufactures Sub-assemblies 4. End Item Manufacturer 5. Wholesale Distributor 6. Local Retail Chain Warehouse. Who is considered the second tier supplier of the firm that manufactures Sub-assemblies?

- a. Components Manufacturer
- b. Local Retail Chain Warehouse

- c. Raw Materials Supplier
- d. Wholesale Distributor

57. Which of the followings is not an RFID component?

- a. The tag
- b. The reader
- c. The barcode
- d. The communication network

58. A basic strategy for managing capacity when the firm utilizes a constant amount of capacity regardless of demand variations is:

- a. Level demand strategy
- b. Baumol's demand strategy
- c. Chase demand strategy
- d. Differentiation demand strategy

59. (Open Question) Right-Shoring

60. (Open Question) Expanding the Supply Chain

61. (Open Question) Bullwhip Effect

62. Operations Management is about:

- a. Provision on a proper way of goods and services
- b. The set of activities that provides value in the form of goods and services by transforming inputs into outputs
- c. Marketing, production, financing, forecasting etc.
- d. All of the above.

63. Which one of the below mentioned function is not a basic function of Operations Management?
- a. Planning
 - b. Controlling
 - c. Financing
 - d. All of the above
64. Which one is part of the 10 strategic decisions of Operations Management?
- a. Location Strategy
 - b. Layout Strategy
 - c. Supply Chain Management
 - d. All of the above
65. Distinguish the difference between goods and services:
- a. Products are tangible while services are not.
 - b. Products are offered on a daily basis while services are not.
 - c. Products have a high customer interaction while services have not.
 - d. Products cannot be inventoried while services can be inventoried.
66. What is value-added?
- a. A good needed to complement another good.
 - b. The difference between the cost of inputs and the value or price of outputs.
 - c. The feedback that you get out of your service.

- d. The measurement of process improvement.
- 67. Which one is the formula of productivity?
 - a. $\text{Input} \times \text{Output}$
 - b. $\text{Input} / \text{Output}$
 - c. $\text{Output} / \text{Input}$
 - d. $\text{Efficiency} \times \text{Input}$
- 68. Which one is not part of the input factors to measure productivity?
 - a. Labor
 - b. Capital
 - c. Material
 - d. Books
- 69. Efficiency, in capacity terms, is the ratio of:
 - a. Actual output to effective capacity.
 - b. Actual output to design capacity.
 - c. Effective capacity to actual output.
 - d. Design capacity to effective capacity.
- 70. The efficiency ratio must be larger than the utilization ratio because:
 - a. Effective capacity is larger than design capacity.
 - b. Actual output is larger than effective capacity.
 - c. Design capacity is larger than effective capacity.
 - d. Actual output is larger than design capacity.

71. A precedence diagram:
- a. Contain all the tasks.
 - b. Shows the sequences in which tasks are performed.
 - c. Shows all of the paths from the beginning to end of completion of the product.
 - d. All of the above.
72. Which one of the following will always lead to an increase in productivity?
- a. Increase inputs and increase outputs
 - b. Increase outputs and hold inputs constant
 - c. Decrease both inputs and outputs
 - d. Decrease outputs and hold inputs constant.
73. The critical path of a network is the:
- a. Path with the fewest activities.
 - b. Shortest time path through the network.
 - c. Path with the most activities.
 - d. Longest time path through the network.
74. Which one is not an inventory management cost?
- a. Holding cost
 - b. Setup cost
 - c. Ordering cost
 - d. Marketing cost

75. Which one is not a layout design consideration?
- a. Higher utilization of space, equipment, and people.
 - b. Improved flow of information.
 - c. Improve working conditions.
 - d. Distinguish consumer preferences.

Finance (Corporate Finance, Financial Management)

1. The tuition fees that Epoka receives from the students, are component of its:
- a) Operating Cash Flow
 - b) Net Capital Spending
 - c) Liabilities
 - d) None of them
2. Which of the following does not affect the sustainable growth rate:
- a) Retention ratio
 - b) ROE
 - c) EM
 - d) Current Ratio
3. Zero-coupon bonds method of payment is similar to:
- a. Pure-Discount loans
 - b. Interest only loans
 - c. Amortized loans
 - d. None of them

4. Which of the following is not a stock component:
 - a. Dividend (D)
 - b. Growth rate (g)
 - c. Required Return (R)
 - d. Yield to Maturity (YTM)

5. For a bond selling at face value, the following is always true:
 - a. $YTM > Cr$
 - b. $YTM = Cr$
 - c. $YTM < Cr$
 - d. None of them

6. The receivables turnover is 10 times; accounts receivable is \$24,000; costs are \$80,000, and Earnings before Taxes (EBT) is -\$20,000. The Operating Cash Flow for this company are:
 - a. \$140,000
 - b. \$160,000
 - c. \$180,000
 - d. \$200,000

7. If Current Ratio is 1.5 and Net Working Capital is \$5,000; then Current Assets are:
 - a. \$5,000
 - b. \$10,000
 - c. \$15,000
 - d. \$20,000

8. If Total Debt Ratio is 0.6; then the Equity Multiplier is:

- a. 1.5
 - b. 2.5
 - c. 3.5
 - d. 4.5
9. What is your tax bill if you have a wage of 250,000 leke:

Taxable Income (leke)	Tax Rate
0-30,000	0%
30,000-130,000	13%
Above 130,000	23%

- a. 13,000
 - b. 27,600
 - c. 40,600
 - d. 50,600
10. You deposit \$5,000 in Raiffeisen Bank. The bank pays you 8% simple interest. How much will you have after 15 years:
- a. \$3,000
 - b. \$6,000
 - c. \$9,000
 - d. \$11,000
11. You want to get a loan worth \$200,000. In order to get this loan, the bank requires you to have 20% of the loan's value in deposits. If, you currently have only 35,000\$ in an account

that pays 10% interest, in how many years you can get the loan?

- a. 0.4 years
- b. 1.4 years
- c. 2.4 years
- d. 3.4 years

12. You deposit \$2,000 in BKT. If your account pays 6% for the first year, 7% for the next year, and 8% for all consecutive years, how much will you have after 10 years?

- a. \$2,198.65
- b. \$3,198.65
- c. \$4,198.65
- d. \$8,587.05

13. You will receive \$1,000 in four years, \$2,000 in five years and \$3,000 in six years. With an interest rate of 10%, what is the present value of these cashflows (their value at year 0)?

- a. \$3,618.28
- b. \$4,618.28
- c. \$6,000
- d. \$6,618.28

14. Which of the following is the best investment option as a depositor:

- a. 12 % compounded monthly
- b. 12.3% compounded quarterly
- c. 12.5 % compounded annually

15. The present value of a perpetuity making monthly payments of \$500 with an interest rate of 6% compounded monthly is:
- a. \$8,333
 - b. \$10,000
 - c. \$83,333
 - d. \$100,000
16. The current price of a zero-coupon bond with a YTM of 7% and 10 years to maturity is:
- a. \$499
 - b. \$508
 - c. \$614
 - d. \$1082
17. If the coupon rate on a bond is 8%, and the current yield is 9%, then this bond's price is:
- a. \$780
 - b. \$800
 - c. \$888
 - d. \$1012
18. The risk that influences a large number of assets is known as
- a. Systematic risk
 - b. Market risk
 - c. b&c
 - d. a&c

19. Which of the following is not a component of CAPM
 - a. RFR
 - b. Expected Market Return
 - c. Standard Deviation
 - d. Beta

20. Considering no taxes, raising debt value, will cause which of the following
 - a. raise WACC
 - b. lower WACC
 - c. no change in WACC
 - d. none of them

21. If the record date is on Tuesday (7 June), which of the dates is ex dividend date?
 - a. 6 June (Monday)
 - b. 5 June (Sunday)
 - c. 4 June (Saturday)
 - d. 3 June (Friday)

22. What happens when a stock split is undertaken?
 - a. nr shares rises
 - b. price drops
 - c. value of equity drops
 - d. a&b

23. An asset, with an Initial Cost of \$300,000 (useful for 3 years), depreciates with straight line method. The depreciation each year is:
- a. \$50,000
 - b. \$100,000
 - c. \$150,000
 - d. \$200,000
24. An 8% coupon bonds price last year was \$950. If it currently sells for \$895 how much is the cash return for the year for this bond:
- a. 12.5%
 - b. 15%
 - c. \$25
 - d. \$135
25. The arithmetic mean of returns for Stock X for last 5 years is 12%. For these 5 years the returns would be increasing by 2 units each year. What is the return at year 3?
- a. 8%
 - b. 10%
 - c. 12%
 - d. 14%
26. If $E(R_X) = 12\%$; $E(R_M) = 10\%$ and $MRP = 6\%$, what is the beta of stock x?
- a. 0.8
 - b. 1

- c. 1.22
 - d. 1.33
27. Assuming constant dividend growth model, if current dividend is \$5 (D_0), growth rate is 6% and current price is \$90, how much is the cost of equity?
- a. 10.88%
 - b. 11.88%
 - c. 12.88%
 - d. 13.88%
28. Cost of equity is 14%; cost of debt is 8% and corporate tax rate = 20%. Given a debt/equity ratio (D/E) of 0.5 what is the value of WACC?
- a. 9.46%
 - b. 10.46%
 - c. 11.46%
 - d. 12.46%
29. Under plan 1 there are 20,000 shares outstanding and no debt. Under plan 2 there are 15,000 shares outstanding and a debt issue of \$500,000 with $i_r = 10\%$. What is break even EBIT?
- a. 200,000
 - b. 300,000
 - c. 400,000
 - d. 500,000

30. The WACC for a firm holding no debt is 12% (R_u); the company can borrow at 8%. If the company converts to a debt/equity ratio of 1, what will be the cost of equity when debt is added in the company? Ignore taxes.
- a. 8%
 - b. 12%
 - c. 14%
 - d. 16%
31. The value of company X without debt (V_u) is \$5,000,000. If the company decides to issue debt of \$2,000,000 and the corporate tax rate is 30%, what is the value of company with debt (V_L)?
- a. 5,000,000
 - b. 5,200,000
 - c. 5,600,000
 - d. 7,000,000
32. Currently in Adidas AG there are 200,000 shares and the price per share is \$50. If company declares a 4/5 reverse stock split, how will these values change?
- a. Nr shares: 160,000; Price: \$40
 - b. Nr shares: 160,000; Price: \$62.5
 - c. Nr shares: 250,000; Price: \$40
 - d. Nr shares: 250,000; Price: \$62,5
33. The equity value in AT&T Incorporation is currently \$500,000 and there are 20,000 shares. If company declares a

20% stock dividend what will be the new price of this company?

- a. New price = \$15
- b. New price = \$20
- c. New price = \$20.83
- d. New Price = \$22.83

34. The current price per share of company X is \$95 per share. If tomorrow is the ex-dividend date and the company has declared a dividend payment of \$4, how much will be the price tomorrow?

- a. \$91
- b. \$92
- c. \$95
- d. \$99

35. Equity X has an expected return of 16%. A risk-free asset currently earns 6%. What is the expected return on a portfolio that is equally invested in the two assets?

- a. 9%
- b. 11%
- c. 12%
- d. 13%

Economics (Introduction to Economics 1& 2, Macroeconomics)

1. The central problem *in economics* is that of

- a. comparing the success of command versus market economies
 - b. guaranteeing that production occurs in the most efficient manner
 - c. guaranteeing a minimum level of income for every citizen
 - d. allocating scarce resources in such a manner that society's unlimited needs or wants are satisfied as well as possible
2. In a free-market economy *the allocation of resources* is determined by
- a. votes taken by consumers
 - b. a central planning authority
 - c. By consumer preferences
 - d. the level of profits of firms
3. **What are the *three problems* of societies have to solve?**
- a. What, how and where is produced?
 - b. What, how and for you is produced?
 - c. Why, what and how is produced?
 - d. What, how is produced and for whom it will be produced?
4. Which of the following shows the relationship between the price of a good and the amount of that good that consumers want at that price?
- a. supply curve
 - b. demand curve
 - c. supply schedule
 - d. production possibilities frontier

5. Which of the following is not a determinant of demand for good X:
 - a. Average income.
 - b. input prices
 - c. Tastes and preferences.
 - d. Price of good X

6. Which of the following factors will cause the supply curve to shift:
 - a. Changes in technology.
 - b. Changes in input prices.
 - c. Changes in the prices of related goods.
 - d. All

7. Other things held equal, if demand increases, equilibrium price will _____ and equilibrium quantity will _____. However, if supply increases, equilibrium price will _____ and equilibrium quantity will _____, other things held equal.
 - a. decrease; decrease; increase; increase
 - b. increase; increase; decrease; increase
 - c. decrease; decrease; increase; decrease
 - d. increase; increase; decrease; decrease

8. Which of the following situations leads to a lower equilibrium price?
 - a. A decrease in demand accompanied by an increase in supply

- b. A decrease in supply accompanied by an increase in demand
 - c. A decrease in supply, without a change in demand
 - d. An increase in demand, without a change in supply
9. When the percentage change in quantity demanded is greater than the percentage change in price:
- a. There is little responsiveness in quantity demanded to changes in price.
 - b. There are few substitutes for the good in question.
 - c. The demand curve is relatively steep.
 - d. The value of demand elasticity is greater than one.
 - e. All of the above.
10. We get fewer and fewer additional units as we add more and more units of the inputs to production process. We call this fact the:
- a. Law of diminishing marginal utility.
 - b. Law of diminishing returns.
 - c. Law of supply.
 - d. Law of demand.
11. Which of the following fits the definition of GDP?
- a. The value of all final goods and services produced within a given period.
 - b. The market value of a country's output.
 - c. The value of output produced by factors of production located within a country.

- d. The market value of all final goods and services produced within a given period in a country.
12. An increase of 10% in nominal GDP indicates that:
- a. Both real GDP and the price level could have contributed to that increase.
 - b. The aggregate price level has increased by 10%.
 - c. Real output and the aggregate price level have increased by 5% each.
 - d. Real output has increased by 10%.
13. Which of the following is a measure of the overall price level?
- a. Nominal GDP.
 - b. The GDP deflator.
 - c. The inflation rate.
 - d. Real GDP.
14. In 2003, the consumer price index (CPI) was 184.0. In 2004, the CPI rose to 188.9. Using these CPI figures, what was the rate of inflation between these two years?
- a. 188.9%.
 - b. 2.66%.
 - c. 2.59%.
 - d. 4.9%.
15. GDP=
- a. C+I+G

- b. $C+G+X$
 - c. $C+I+G+X$
 - d. none of the above
16. Perfect competition is found when:
- a. A large number of firms produce slightly differentiated products.
 - b. A single firm produces the entire output of an industry
 - c. No firm is large enough to affect the market price.
 - d. An industry is dominated by few firms.
17. The zero-profit point will occur where:
- a. $MC=P$
 - b. $MC=MU$
 - c. $AC=P$
 - d. $AC=MP$
18. In monopolistic competition there is/are:
- a. Many sellers who each face a downward, sloping demand curve.
 - b. A few sellers who each face a downward, sloping demand curve.
 - c. Only one seller who faces a downward, sloping demand curve.
 - d. Many sellers who each face a perfectly elastic demand curve.
19. If a perfectly competitive firm cannot avoid economic losses, it should continue to operate in the short run as long as

- a. price exceeds average variable cost
 - b. price exceeds average total cost
 - c. the market price exceeds average total cost
 - d. marginal revenue exceeds average fixed cost
20. Suppose, in 2010, you purchased a house built in 2003. Which of the following would be included in the gross domestic product for 2010?
- a. the value of the house in 2010
 - b. the value of the house in 2003
 - c. the value of the house in 2010 minus depreciation
 - d. the value of the services of the real estate agent

Law (Introduction to Law, Business Law)

1. Which of the following differentiates “law” from the other rules that exist in the society?
- a) compulsory nature
 - b) enforcement by state authorities
 - c) legal consequences in case of non-compliance
 - d) all of them
2. Which of the following is not a formal source of law in Albania?
- a) laws approved by the parliament
 - b) international agreements ratified by the parliament
 - c) “Leke Dukagjini” Canon
 - d) normative acts of the Council of Ministers

3. Which of the following is not true about courts?
 - a) their function is conflict resolution
 - b) they are part of the judicial system
 - c) they enjoy independency from other powers
 - d) they approve laws

4. In Albania, if the law does not provide otherwise, the law enters into force:
 - a) 15 days after the approval in the Parliament
 - b) 20 days after the publication in the Official Gazette
 - c) 15 days after the publication in the Official Gazette
 - d) 30 days after publication in the Official Gazette

5. The main organs of the judicial power in Albania are:
 - a) the first instance court, higher court, constitutional court
 - b) the first instance court, appellate court, higher court
 - c) first instance court, appeal court, higher court, European Court of Human Rights
 - d) first instance, appeal, higher court, High Council of Justice, Constitutional Court

6. The limitation of the rights and freedoms recognized in the Constitution of the Republic of Albania is not valid when established:
 - a) for a public interest
 - b) by a decision of the Council of Ministers
 - c) for the protection of the rights of others

- d) in proportion with the situation that has dictated it
7. Which of the following does not have the right to propose laws in the Parliament in Albania?
- a) Council of Ministers
 - b) Every deputy
 - c) Judicial Power
 - d) 20 000 people with the right to vote
8. Which one is not true about the principles of the Constitution in the Republic of Albania?
- a) It is the fundamental law
 - b) Separation of judicial power, legislative power and executive power
 - c) The principle of respecting the dignity of the citizen
 - d) Albania is a semi-presidential system
9. Which one is not true about the capacity to act?
- a) It is the ability of an individual to exercise rights and obligations
 - b) At the age of 18 the person has full capacity to act
 - c) The capacity to act can be limited by a court decision because of mental disease
 - d) The capacity to act can be limited by a court decision because of physical disability
10. Which of the following is the mode of acquisition of ownership?

- a) Through contract
 - b) Through inheritance
 - c) Through objects found
 - d) All of them
11. Which is one of the main documents served for the establishment of the commercial company?
- a) The Prospect
 - b) Financial Statement
 - c) The Statute
 - d) The Competition's Authority Report
12. Which of the following constitutes the right feature of the Limited Liability Company?
- a) Partner's death leads to the breach of company
 - b) It has unlimited liability to the creditors
 - c) Its required registered capital is ALL 5 million
 - d) The law permits the company to run the business even with only one partner
13. Which of the following is not true about the features of the registered capital in commercial companies?
- a) The whole contributions brought by partners to establish a joint-venture organized as a company
 - b) The participation part in the registered capital prevent the partners to exercise rights and duties in the company
 - c) Fundamental capital is divided into some basic units with equal value

- d) The capital is considered as a guarantee for the creditors of the company
14. Which of the following is not correct about the features of commercial company?
- a) Commercial company has a contractual nature
 - b) It has independent and personal wealth
 - c) Companies are divided into unlimited and limited companies
 - d) The company gains its juridical personality before its registration in the Business Registration Center
15. Which of the following constitutes the right feature of the Joint-Stock Company with public offer?
- a) The invitations to sign securities are addressed to an unspecified number of investors
 - b) The legal requirement for the registered capital is ALL 100 lek
 - c) This type of company operates with limited and unlimited partners
 - d) The company contributes unlimited
16. Which of the following is considered a mixed company?
- a) General Partnership
 - b) Joint Stock Company
 - c) Limited Liability Company
 - d) Limited Company

17. Which of the following constitutes the wrong statement about the effect of the control group existence?
- a) The parent company is obliged to cover annual losses of the controlled company
 - b) Creditors of the controlled company have the right to ask anytime to the parent company to provide sufficient guarantees for their credits
 - c) Partners or shareholders of the controlled company has the right to ask to the parent company anytime to purchase their quotes, stocks or liabilities owned by them in the company
 - d) The controlled company is responsible for the results and consequences of the parent company's trade activity
18. Which of the following refers to the case when the commercial company does not have criminal liability?
- a) Criminal offence is committed by its bodies or its legal representatives
 - b) The criminal offence is committed neither on behalf of the company and nor in favor of it
 - c) Criminal offence is committed by a person that is under the authority of the person that represents, administrates and manages the company
 - d) Criminal offence is committed because of lack of control or omission of supervisory body
19. Why is it necessary to protect the Intellectual Property?
- a) To grant the license of your creation
 - b) To avoid the attempts of the others to make similar or identical products as yours

- c) To maintain it as a value asset of the business
 - d) All of the above
20. Find the correct alternative regarding the characteristic of the public procurement system.
- a) It is not a public competition procedure
 - b) The contract should be signed among the Contracting Authority and Economic Operators
 - c) Payment does not derive from public funds
 - d) It is not obligatory to sign any declaration in terms of conflict of interest by the organs of the public procurement system