



**UNIVERSITI KUALA LUMPUR**  
**MALAYSIAN INSTITUTE OF INFORMATION TECHNOLOGY**

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**FINAL EXAMINATION**  
**JANUARY 2016 SEMESTER**

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**COURSE CODE** : IGD 10102  
**COURSE NAME** : INTRODUCTION OF BUSINESS ORGANISATION  
**PROGRAMME NAME** : DIPLOMA IN INFORMATION TECHNOLOGY  
DIPLOMA IN MULTIMEDIA  
DIPLOMA IN ANIMATION  
**DATE** : 20 MAY 2016  
**TIME** : 9.00 am – 11.30 am  
**DURATION** : 2 HOURS 30 MINUTES

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**INSTRUCTIONS TO CANDIDATES**

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1. Please CAREFULLY read the instructions given in the question paper.
2. This question paper has information printed on both sides of the paper.
3. This question paper consists of TWO (2) sections; Section A and Section B.
4. Answer ALL questions in Section A and Section B.
5. Please write your answers on the OMR answer script and answer booklet provided.
6. Answer all questions in English language ONLY.

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THERE ARE 9 PAGES OF QUESTIONS, INCLUDING THIS PAGE.

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**SECTION A (Total: 25 marks)****INSTRUCTION: Answer ALL questions.****Please use the objective answer sheet provided.**

1. Which of the following is an advantage of a sole proprietorship?
  - A. The owner has unlimited liability.
  - B. The business ceases to exist when the owner dies.
  - C. There is a limit to the amount one person can borrow.
  - D. Profit are taxed as individual income.
  
2. \_\_\_\_\_ resources are the individuals who provide labor for an organisation in exchange for wages.
  - A. Human
  - B. Material
  - C. Labor
  - D. Financial
  
3. What resource tells the managers of a business how effectively the other three resources are being combined and used?
  - A. Technical
  - B. Human
  - C. Financial
  - D. Informational
  
4. Firms use information systems to \_\_\_\_\_.
  - A. Makes better business decisions.
  - B. Develop a competitive disadvantage.
  - C. Motivate the firm's stakeholders.
  - D. Generate higher prices.
  
5. A local retailer calls its customers when it receives merchandise that they may be interested in, provides individual service to each customer, provides forms and phone numbers for complaints and comments, and has a 100 percent satisfaction guarantee. Which objective is this business working hard to accomplish?
  - A. Making a profit
  - B. Achieving low employee turnover
  - C. Satisfying the needs of its customers
  - D. Increasing the owner's wealth

6. All of the following would typically be considered consumer products **EXCEPT** a \_\_\_\_\_.
- |                     |                              |
|---------------------|------------------------------|
| A. 2-liter of Coke. | C. Prom dress.               |
| B. DVD player.      | D. High-powered drill press. |
7. Which of the following is *uncharacteristic* of a socialist economy?
- All capital and capital goods are privately owned.
  - The government owns and controls key industries.
  - Land and raw materials may be the property of the state.
  - What to produce and how to produce it are based on national goals.
8. In a communist country such as Cuba, emphasis is placed on producing what type of goods?
- Goods needed by the government
  - Consumer goods
  - Goods for export
  - Perishable goods such as food
9. Which of the following is **NOT** product life cycle phase?
- |                  |             |
|------------------|-------------|
| A. Introduction. | C. Decline  |
| B. Growth.       | D. Stagnant |
10. A tax levied on a particular foreign product entering a country is known as \_\_\_\_\_?
- |                         |                 |
|-------------------------|-----------------|
| A. Dumping.             | C. Export duty. |
| B. Non-tariff barriers. | D. Import duty  |
11. Suzy is an ethics officer at a large financial institution. She is most likely performs all of the following duties **EXCEPT** \_\_\_\_\_.
- coordinating ethical conduct.
  - providing advice to employees when they are uncertain.
  - giving top management advice about their decisions.
  - encouraging all employees to be whistle-blowers.

12. A whistle-blower is a person who \_\_\_\_\_.
- A. reports illegal or unethical conduct within his or her organisation.
  - B. praises his or her own accomplishments.
  - C. does public relations work for a company.
  - D. accepts responsibility when a company is in trouble with the government.
13. The economic model of social responsibility places primary emphasis on \_\_\_\_\_.
- A. quality of life.
  - B. active government involvement.
  - C. conservation of natural resources.
  - D. economic return.
14. Which of the following is **NOT** one of the characteristics of small-business industry that makes the industry attractive?
- A. Low initial capital investment.
  - B. Some special skill requirement.
  - C. Overexpansion
  - D. High growth and profit potential.
15. Which of the following is necessary for starting a sole proprietorship?
- A. A contract
  - B. No specific legal document
  - C. An application to the secretary of state
  - D. Articles of proprietorship
16. Vanessa drives a four-door sedan to work and other places every day. How does her car affect the environment now compared to a similar car thirty years ago?
- A. A car is a car, so the environmental impact is likely the same.
  - B. Her car is more economical today than it would have been thirty years ago.
  - C. There are so many cars today that air pollution laws are nearly worthless.
  - D. Today's car has a pollution-control device that reduces harmful emissions.
17. Nordstrom sells designer suits made in Italy in its stores in the United States. Nordstrom is \_\_\_\_\_ suits.
- A. exporting
  - B. importing
  - C. trading
  - D. dumping

18. An agreement listing and explaining the term of partnership is known as \_\_\_\_\_.
- A. Business Plan  
B. Partnership Agreement  
C. Tender Document  
D. Code of Ethics
19. When a country imports more than it exports, it has a(n) \_\_\_\_\_.
- A. trade surplus.  
B. favorable balance of trade.  
C. favorable exchange rate.  
D. unfavorable balance of trade.
20. Japanese tourists come to experience the magic of Disney World and other attractions around Orlando, Florida. These tourists are \_\_\_\_\_.
- A. helping the United States' balance of payments.  
B. helping increase the balance of payments for Japan.  
C. exporting products and services back to Japan.  
D. further decreasing the United States' balance of payments.
21. The United States wishes to import no more than 100 million tons of sugar from India in any given year. The type of import restriction it should impose is a (n) \_\_\_\_\_.
- A. import duty.  
B. foreign exchange control.  
C. import quota.  
D. embargo.
22. An import duty has the effect of all of the following **EXCEPT** \_\_\_\_\_.
- A. reducing the number of units exported.  
B. raising the price of the product in the importing nation.  
C. reducing the number of units imported.  
D. creating a trade restriction.
23. A \_\_\_\_\_ is issued by a bank upon request of an importer stating that the bank will pay an amount of money to a stated beneficiary.
- A. license  
B. letter of credit  
C. bill of lading  
D. draft

24. A medium-sized hardware manufacturer wants to become deeply involved in exporting, but it does not yet wish to actually manufacture any of its products overseas. The company wants to maintain control over its sales while gaining experience in foreign markets. Which option would be best for this company?
- A. Licensing its products for sale in foreign countries
  - B. Selling its products outright to an export/import merchant
  - C. Establishing its own sales offices in foreign countries
  - D. Developing totally owned facilities in a foreign market
25. A carefully constructed guide for the person starting a business, used for communication, management and planning is known as a \_\_\_\_\_.
- A. Partnership agreement.
  - B. Financial statement.
  - C. Business plan.
  - D. Marketing strategy.

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## SECTION B (Total: 75 marks)

**INSTRUCTION: Answer ALL questions.**  
**Please use the answer booklet provided.**

## Question 2

- (a) How do computers and technology may improve the productivity in an organisation?  
(10 marks)
- (b) What are the **FIVE (5)** Management Information System functions?  
(5 marks)
- (c) How can information reduce risk when making a decision?  
(4 marks)
- (d) Differentiate between **Business-to-Business (B2B)** and **Business-to-Consumer (B2C)** business models.  
(6 marks)

**Question 3**

- (a) Define partnership. Describe **TWO (2)** advantages and **TWO (2)** disadvantages of this form of business ownership.  
(10 marks)
- (b) There are **TWO (2)** types of partnerships. What are they?  
(4 marks)
- (c) Another way a firm can grow is by purchasing another company. The purchase of one corporation by another is called a merger. Describe **THREE (3)** types of merger.  
(6 marks)
- (d) A franchise is a license to operate an individually owned business as if it were part of a chain of outlets or stores. Identify **FIVE (5)** benefits of franchising for the franchisor.  
(5 marks)

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## Question 4

- (a) Assume that your firm would like to implement a marketing strategy. Kindly list and describe FOUR (4) marketing mix together with suitable examples.  
(10 marks)
- (b) Brand is one of the most important features of a product which is particularly a consumer product. Define *brand* and identify **FOUR (4)** major benefits of branding.  
(6 marks)
- (c) Differentiate between differential pricing and psychological pricing. Give **ONE (1)** method of pricing for each.  
(4 marks)
- (d) Illustrate and explain the product life cycle phase.  
(5 marks)

END OF EXAMINATION PAPER