1. The term ‘trade’ refers to
2. the selling of goods and services on the stock market
3. the movement of immigrants from one country to another
4. any commercial activity involving the exchange of goods and services
5. the negotiation process between trade unions and management
6. Which of the following types of business environments is MOST typical of the Commonwealth Caribbean?
7. Corporate state
8. Mixed economy
9. Centrally planned
10. Perfectly competitive
11. A person who has the ability to seek out and undertake the risk of new business opportunities is referred to as
12. A producer
13. An inventor
14. A shareholder
15. An entrepreneur
16. In a public limited company, the losses are borne by the
17. Staff
18. Directors
19. Community
20. Shareholders
21. In which of the following types of economic systems does the government make all decisions?
22. Mixed
23. Capitalist
24. Command
25. Subsistence
26. Which of the following is NOT an activity of the planning process?
27. Setting goals
28. Establishing policies
29. Identifying resources
30. Delegating responsibility

Item 7 refers to the following information

Mr. Lloyd, manager of LM Ltd holds regular staff meeting to listen to ideas from employees before making decisions that would affect the future of the company.

1. What leadership style does Mr. Lloyd employ?
2. Autocratic
3. Democratic
4. Charismatic
5. Laissez faire
6. Selecting the objectives and the procedures for achieving goals is referred to as
7. Planning
8. Organizing
9. Controlling
10. Motivating
11. Which of the following demonstrates characteristics of a good leader?
12. Inspiring workers
13. Delegating responsibilities
14. Making intelligent decisions
15. I and II only
16. I and III only
17. II and III only
18. I, II and III
19. Under which of the following categories would subsidized meals for employees fall?
20. Fringe benefits
21. Duty allowance
22. Wages and salaries
23. Workers’ compensation
24. Which of the following activities carried out in a firm will NOT be under the supervisions of the marketing manager?
25. Packaging
26. Purchasing
27. Advertising
28. Distributing
29. An entrepreneur who wants to maintain control of the business would be advised to register the business as a
30. Partnership
31. Sole trader
32. Limited company
33. Private limited company
34. Which of the following is a regulator issue for the entrepreneur?
35. Using a credit card to transact business
36. Offering hire purchase options to customers
37. Paying national insurance to the government
38. Advertising the business locally and regionally
39. The MOST important use of collateral security to the lender is that it
40. Establishes the financial position of the borrower
41. Can be seized if the borrower fails to pay
42. Improves the borrower’s chance of getting a loan
43. Give the lender an idea of the state of the business
44. Which of the following is NOT an example of an unethical business practice?
45. Money laundering
46. Nonpayment of taxes
47. Misleading advertisements
48. Retrenching inefficient workers
49. A post-dated cheque is one which
50. Was written no longer than six months ago
51. Is dated to agree with the date of the document requesting payment
52. Is dated for payment at a future date
53. Is dated by the bank on the day of cheque is presented for payment
54. Which of the following reasons can be used for voiding a contract?
55. There was no consideration
56. There was no meeting of minds
57. The agreement was not in writing
58. I and II only
59. I and III only
60. II and III only
61. I, II and III
62. A contract may be discharged by
63. Breach
64. Change of mind
65. Inconsideration
66. Misappropriation
67. Fred and his friends went to the cinema. On his way out Fred fell and was injured. What type of insurance would protect the owner of the cinema against claims made by Fred?
68. Industrial insurance
69. Public liability insurance
70. Fidelity guarantee policy
71. Employers’ liability insurance
72. Which of the following types of cheques allows an individual to receive cash on demand?
73. Open
74. Crossed
75. Certified
76. Banker’s
77. To which of the following industries does a firm involved in food processing belong?
78. Service
79. Extractive
80. Constructive
81. Manufacturing
82. Joseph has decided to leave his homeland of Jamaica to go to the USA in search of a better life. This movement is referred to as
83. Brain drain
84. Early migration
85. Internal migration
86. External migration

Item 23 refers to the following information.

Mr. Jones received a job offer from a company in Barbados. In order to take up this new job, Mr. Jones decides to leave his home country of Trinidad and move permanently to Barbados.

1. In Trinidad Mr. Jones would be referred to as
2. A refugee
3. An emigrant
4. An immigrant
5. A travelling officer
6. One feature of capital intensive firms are that they
7. Raise large amounts of capital
8. Provide capital for other firms
9. Use more machinery and less labour
10. Use more people and less machinery
11. Which of the following conditions would constitute a linkage between two industries.
12. Two firms manufacture similar goods.
13. One firm shares the use of machinery with another firm.
14. Two firms are responsible for the manufacturing of different types of goods
15. The output of one industry economy becomes the other industry.
16. Which of the following results is most likely to occur from the growth in an organization?
17. Greater productivity
18. More division of labour
19. Increased communication
20. Increased capital investment
21. Which of the following commodities is a product of the manufacturing industry?
22. Cars
23. Gold
24. Lumber
25. Houses
26. The term ‘loss leader’ is best described as a product which
27. Has no real market value
28. The retailer is unable to lower the price
29. Is sold cheaply to attract customers
30. The retailer gives away to customers
31. Under which of the following conditions is a trade discount used?
32. Bulk purchases
33. Prompt payment
34. Payment by cash
35. First-time buyers
36. Which of the following is NOT a terms of sale?
37. Cash
38. Credit
39. Shares
40. Hire purchase
41. Which of the following factors is LEAST likely to influence consumer behavior?
42. Product price
43. Brand loyalty
44. Quality of goods
45. Place of residence
46. A situation where a business gains editorial space without having to pay for it is called
47. Publicity
48. Marketing
49. Advertising
50. Discounting
51. The price of an article is usually high when there is a
52. Large quantity for sale and few people wanting to buy
53. Small quantity for sale and few people wanting to buy
54. Large quantity for sale and many people wanting to buy
55. Small quantity for sale and many people wanting to buy
56. In a Caribbean territory there is only one supplier that provides electricity to all homes, businesses and communities. What market structure does this BEST illustrate?
57. Duopoly
58. Oligopoly
59. Monopoly
60. Perfect competition
61. Which of the following terms is associated with a stock market?
62. Costs and prices
63. Risks and benefits
64. Rent and investment
65. Premium and reward
66. Tom invests his savings by buying shares in a company. From this investment Tom expects to receive
67. Profits
68. Interest
69. Revenue
70. Dividends
71. Mr. Jones has several bills of fixed amounts to pay each month. His bank agreed to pay them monthly from Mr. Jones’ account. This service, provided by the bank, is referred to as
72. An overdraft
73. A fixed deposit
74. A standing order
75. A letter of credit
76. One of the MAJOR functions of a Central Bank is to
77. Issue notes and coins
78. Issue stocks and shares
79. Accept deposit accounts
80. Make loans and advances

Items 39 -40 refer to the following diagram which represents the market for pears. The original demand curve is DD.

1. Point Z on the diagram represents the
2. Price
3. Demand
4. Equilibrium point
5. Equilibrium quantity
6. The equilibrium price is
7. $0.00
8. $3.50
9. $4.00
10. $7.00
11. Which of the following measures may be used by government to protect consumers?
12. Price controls
13. Custom duties
14. Provisions of subsidies
15. I and II only
16. I and III only
17. II and III only
18. I, II and III
19. Governments can influence buying activity positively by reducing
20. Taxes
21. Grants
22. Spending
23. Subsidies
24. Which of the following is NOT regarded as a role to taxation?
25. To raise revenue for governments
26. To influence the distribution of incomes and wealth
27. To influence the investment decisions of publicly owned enterprises.
28. To influence total expenditure of goods and services
29. Which of the following actions government is MOST likely to lead improvement in the standard of living?
30. Printing more money
31. Increasing the income tax rate
32. Abolishing taxes on low income
33. Giving tax incentives to businesses
34. Which of the following statement accurately describes taxation as a means of redistributing incomes?
35. The rich pay taxes and poor does not.
36. Tax is used to distribute income more efficiently throughout the country.
37. Tax is used to spread income evenly between the higher and lower income earners.
38. The higher income earners are at a higher rate to provide basis amenities to lower income earners.
39. Which of the following BEST explains a ‘proportional tax’?
40. The rate of tax increases as income increases
41. The same rate of tax is paid at all income levels.
42. Higher income earners pay a smaller percentage of income in tax than lower income earners.
43. Lower income earners pay a larger percentage of income in tax than higher income earners.

Item 47 refers to the following information which shows figures taken from a country’s balance of payments accounts.

|  |  |  |
| --- | --- | --- |
|  | Goods | Services |
| Exports | $160 m | $300 m |
| Imports | $120 m | $140 m |

1. The country’s balance of trade is
2. -$120 m
3. +$ 120 m
4. - $200 m
5. +$200 m
6. In calculating Net National Product, depreciation refers to the
7. Increase in the price level
8. Decrease in the price level
9. Decrease in capital stock value
10. Increase in capital stock value
11. Which of the following practices would contribute to the economic growth and development of a country?
12. Increased importation of consumer goods
13. Decreased use of the country’s natural resources
14. Exporting skilled personnel to developed countries
15. Provision of loans and technical assistance for establishing local businesses.
16. Export licenses are issued MAINLY to
17. Encourage local businesses to produce more goods for export
18. Enable the government to control the flow of goods being exported
19. Indicate to the importing country that the goods are of a high standard
20. Indicate to the importing country the price at which the goods are to be sold
21. A measure which limits the quantity of goods that citizens of a country are allowed to buy from overseas is known as an
22. Import duty
23. Export duty
24. Export quota
25. Import quota
26. Which of the following does NOT contribute to an improved standard of living of a country?
27. An increase in capital goods
28. An increase in disposable income
29. An increase in the country’s population
30. An increase in investment in technology
31. Which of the following is an example of tariffs?
32. Excise duties
33. Property tax
34. Custom duties
35. Value added taxes
36. Visible trade examines the difference between a country’s
37. Imports and exports of goods only
38. Imports and exports of services only
39. Current account and capital account
40. Output method and expenditure method
41. The term ‘economic dualism’ refers to an economy in which one sector is
42. Highly dependent on local capital
43. Highly dependent on foreign capital
44. Over populated while the other is underpopulated
45. Technologically advanced while the other is technologically retarded
46. Which of the following is a benefit of the CSME?
47. A common trade policy
48. Reduced cost of housing
49. Reduced cost of air travel
50. More equitable distribution of income
51. The purpose of CARICOM is to
52. Allow member states to collaborate
53. Foster international trade and common services
54. Encourage the transfer of technology within the region
55. Allow for unrestricted movement of persons among the territories
56. Which of the following organizations would settle a dispute among banana-producing countries of the Caribbean and Central America over preferential agreement with the European Union?
57. World Trade Organization (WTO)
58. Caribbean Development Bank (CDB)
59. CARICOM Single Market and Economy (CSME)
60. Organization of Petroleum Exporting Countries (OPEC)
61. In periods of inflation, the ability to raise additional capital for expansion is MOST likely to be a problem for
62. Sole traders
63. Partnerships
64. Public companies
65. Multi-national companies
66. Industrialization is an important strategy in the fight against poverty. Which of the following is a benefit of an increase in the development of industries?
67. A reduction in the level of export
68. A reduction in the level of import
69. An increase in the level of migration
70. An increase in the rate of unemployment.

**END OF TEST**