

**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**



**B.Com. DEGREE EXAMINATION – HONOURS**

**FIRST SEMESTER – NOVEMBER 2022**

**UBH 1503 – BUSINESS MANAGEMENT AND ENVIRONMENT**

Date: 24-11-2022

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

**Section A**

**Answer ALL the questions**

**(40 x 1.5 = 60 marks)**

1. The major purpose of the International Accounting Standards Board (IASB) is to ensure consistency in \_\_\_\_\_. Which two words complete the sentence above?

A. Financial control B. Corporate reporting C. External auditing

2. Which characteristic of Big Data relates to the ability to stream data in real time ?

A. Veracity B. Volume C. Velocity

3. In relation to the management of conflict, which of the following approaches will maximise the prospect of consensus?

A. Acceptance B. Negotiation C. Avoidance D. Assertiveness

4. ABC Company is a small manufacturing company supplying wholesale customers who order goods by phone. It operates from one site and has its own internal accounts department. Labels for goods to be despatched are printed on-site and the goods are then collected by a local courier service for delivery. Inventory levels for key components are monitored electronically and suppliers receive automatic notification when deliveries are required.

Based on the following features which one of the following features of ABC company's business model are most likely to expose them to cyber security threats ?

- A. Orders placed by phone
- B. Internal accounts department
- C. Use of local courier service
- D. Inventory arrangement with component suppliers

5. In order to ensure that the policies of an organisation are consistent with the public interest, on which of the following should the directors of a company focus?

- A The long-term welfare of the shareholders
- B Compliance with legal requirements and codes of governance
- C The collective well-being of stakeholders

6. Which of the following is not a benefit of Big Data Analytics

- A. Improved decision making
- B. Greater focus on customer needs and wants
- C. Increased security and data
- D. Product innovation

7. Which of the following is the MAIN function of marketing?

- A To maximise sales volume
- B To identify and anticipate customer needs
- C To persuade potential consumers to convert latent demand into expenditure
- D To identify suitable outlets for goods and services supplied

8. The following are sanctions used against companies for potentially unlawful actions:

1. Investigation of its financial affairs by a government department or agency
  2. Imposition of a fine by the government's company registration body
  3. Refusal of the external auditor to sign the financial accounts
  4. Suspension of dealings in securities by the stock exchange
- Which of the above are the consequences of a listed company failing to file its accounts?

A 1 and 2 B 1 and 3 C 2 and 4 D 3 and 4

9. The overall average age of a population in a country is directly dependent on two demographic factors: Birth rate and death rate. Assuming equal rates of change, which of the following must lead to an overall ageing of the population? Birth rate- Death rate

A. Rising- Rising B. Falling- Rising C. Rising- Falling D. Falling- Falling

10. Which two of the following are artificial intelligence technologies?

- A. Wireless speakers
- B. Driverless cars
- C. Web design
- D. Voice recognition

11. What is the primary responsibility of the external auditor?

- A To verify all the financial transactions and supporting documentation of the client
- B To ensure that the client's financial statements are reasonably accurate and free from bias
- C To report all financial irregularities to the shareholders of the client
- D To ensure that all the client's financial statements are prepared and submitted to the relevant authorities on time

12. The following are examples of business information:

- (1) Annual forecasts of revenues and costs for a department
- (2) Product development plans for the next 2–3 years
- (3) Targets agreed by key managers at their performance appraisal interviews

Which of the above would be classified as tactical information?

A. 1, 2 and 3 B. 1 and 3 only C. 2 and 3 only

13. In order to discharge their duties ethically, finance directors must ensure that the information published by their organisations provides a complete and precise view of the position of the business, without concealing negative aspects that may distort the reader's perception of its position.

This duty describes which of the following ethical principles?

A Probity B Honesty C Independence D Objectivity

14. Which of the following is a purpose of the International Federation of Accountants?

- A Agreement of legally binding financial reporting standards across all member accountancy organisations
- B Prevention of international financial crimes, such as money laundering and insider dealing
- C Promotion of ethical standards in all member organisations
- D Development of universally applicable detailed rules to deter inappropriate behaviours

15. Neill works as the procurement manager of JL Company, a large services company.

Information provided by Neill is most relevant to which of the following elements of the marketing mix?

A Physical evidence B Distribution (or place) C Price D Processes

16. Malachi has been asked by his manager to obtain information about ABC Company, which is bidding for a contract offered by Malachi's company in the near future. The two statements which he will be using as his sources are the statement of financial position (SOFP) and the statement of profit or loss (SOPL). The information he is required to obtain is as follows:

- 1: The equity of the company
- 2: Operating costs as a percentage of turnover
- 3: Long-term borrowings
- 4: Liquidity

Which of the following correctly matches the above items of information with the financial statements in which they would be found?

	1	2	3	4
A	SOFP	SOPL	SOPL	SOFP
B	SOPL	SOFP	SOFP	SOPL
C	SOPL	SOFP	SOPL	SOFP
D	SOFP	SOPL	SOFP	SOFP

17. Control over cash receipts will concentrate on three main areas : Banked Promptly, Must be complete, loss of receipts to be prevented

- a. True                      b. False

18. The following are stakeholders of a business organisation:

1. Manager
2. Customer
3. Executive Director
4. Supplier

Which of the above are CONNECTED stakeholders?

- A 1, 2 and 3              B 2 and 4              C 2 and 3 only              D 3 and 4

19. Renata has attended a leadership development course in which she experienced a self-analysis exercise using the Blake and Mouton managerial grid. The course leader informed her that the results suggested that Renata demonstrated a 9·1 leadership style.

What other conclusions may be drawn in relation to Renata's leadership style?

1. She maximises the involvement of her team
2. She demonstrates little concern for people in the team
3. She balances the needs of the team with the need to complete the task.
4. She is highly focused on achieving the objectives of the team.

- A 1 and 2  
B 2 and 4  
C 1 and 4  
D 2 and 3

20. In a higher education teaching organisation an academic faculty is organised into courses and departments, where teaching staff report both to course programme managers and to subject specialists, depending on which course they teach and upon their particular subject specialism.

According to Charles Handy's four cultural stereotypes, which of the following describes the above type of organisational structure?

- A Role              B Task              C Power              D Person

21. What is the responsibility of a Public Oversight Board?

- A The establishment of detailed rules on internal audit procedures  
B The commissioning of financial reporting standards  
C The creation of legislation relating to accounting standards  
D The monitoring and enforcement of legal and compliance standards

22. FKT Company is considering the introduction of a code of ethics following media criticism of its selling practices.

Which of the following is most important when deciding on the content of the proposed code of ethics?

- A The minimum acceptable standards of behaviour and conduct of employees  
B The legal requirements affecting the sales of core products and services  
C The main issues of concern to customers who have made complaints  
D The generally accepted standards by other companies operating in the same sector

23. In the context of fraud, 'teeming and lading' is most likely to occur in which area of operation?

- A Sales  
B Quality control  
C Advertising and promotion  
D Despatch



The proposal to reorganize the work of the call centre utilizes principles put forward by which school of management thought?

- A The administrative school
- B The empirical school
- C The scientific school

34. The system used by a company to record sales and purchases is an example of which of the following?

- A transaction processing system
- B management information system
- C An office automation system
- D A decision support system

35. Which of the following is a feature of poor corporate governance?

- A Domination of the board by a single individual
- B Critical questioning of senior managers by external auditors
- C Supervision of staff in key roles
- D Lack of focus on short-term profitability

36. Which of the following statements about corporate social responsibility is true?

- (i) CSR guarantees increased profit levels
- (ii) CSR adds cost to organisational activities and reduces profit levels
- (iii) Social responsibility may have commercial benefits
- (iv) Social responsibility is a concern confined to business organisations

- A (i), (ii), (iii) and (iv)
- B (i) and (iii)
- C (ii) and (iv)
- D (iii) only

37. The agency problem refers to the fact that shareholders cannot legally be the directors of an organisation. Is this statement TRUE or FALSE?

- A True
- B False

38. Which of the following statements regarding integrated reports is correct?

- A. They involve the merging of the other financial statements to produce an overall view of the company performance
- B. They are designed to show the organisation's profitability more clearly
- C. They include information on anything that is felt to be of interest to the users of the financial statements
- D. They include only relevant financial information for the users of the financial statements

39. X plc has a bad debt policy whereby aged receivables who are obviously not going to pay, are written off. The financial accountant does not enforce this policy.

This might be fraudulent insofar as it creates which of the following effects?

- A It removes funds from the business
- B It results in the understatement of profits and net assets
- C It results in the overstatement of profits and net assets
- D It results in the intentional overstatement of profits and net assets

40. Which of the following is not a technique of scientific management or Taylorism?

- A Micro-design of jobs
- B Work study techniques to establish efficient methods
- C Multi-skilled teamworking
- D Financial incentives

**Part B**

**Answer ALL the questions**

**( 2 x 5 = 10 marks)**

41. Here are four short references to the function of management:

- A There are essentially five functions of management that apply to any organisation
- B Individual and group behaviour at work is a major factor in productivity.
- C Management is the development of a true science of work.
- D The manager of a business has one basic function – economic performance.

Required:

(a) Identify the description above which is associated with each of the following theorists, by selecting A, B, C,D or None.

- (i) Peter Drucker
- (ii) Elton Mayo
- (iii) Henry Mintzberg
- (iv) F W Taylor

Note: The total marks will be split equally between each part.

(b) Below are listed five functions of management.

- A Planning                      B Organising                      C Managing                      D Monitoring                      E Motivating

Required:

Write down which two of the above are those functions identified by Fayol by selecting TWO of the letters from (A, B, C, D, E).

42. A company has considerable cash collections on a regular basis. The cashier receives the cash, records it and then banks it at the end of each day. Since a single person is responsible for access to cash, the financial director is concerned that fraud and error may occur in cash handling and recording. He proposes use of appropriate internal controls to prevent any such errors or misappropriations.

The following are specific examples of internal controls used in business:

- A Segregation of duties
- B Induction and training
- C Authorisation limit
- D Internal audit

The following sentences contain gaps( ..... ) which specify the appropriate internal control which could be used to prevent fraud and errors.

Fraud and errors in handling cash can be prevented through..... since no one individual could record and process a complete transaction.

Required:

(i) Select the correct internal control which appropriately fills gap 1 above; i.e. select A, B, C or D.

Even if such a measure were introduced, the possibility exists that staff could act together to perpetrate fraud and bypass this control. This can be prevented through ..... as it would ensure awareness of the heavy sanctions to be imposed in cases of dishonesty.

(ii) Select the correct internal control which appropriately fills gap 2 above; i.e. select A, B, C or D.

**Part – C**

**Answer ALL the questions**

**(2 x 15 = 30 Marks)**

43.(A) Explain Porter’s five forces model.

(B) Identify the key threats to ethical behavior.

44. (A) Describe leadership Styles and contexts using the models of Ashbridge and Blake and Mouton

(B) Explain how the law promotes and protects health and safety in the workplace.

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