



SIR ARTHUR LEWIS COMMUNITY COLLEGE
ACADEMIC YEAR (2024/2025) - SEMESTER TWO
END OF SEMESTER EXAMINATION
ALTERNATE

COURSE CODE : BUS103
COURSE TITLE : Small Business Operations
LECTURER(S) : Jacqueline Charlemagne
DATE :
TIME :
DURATION : 2 hrs
STUDENT ID # : _____

GENERAL INFORMATION AND INSTRUCTIONS

- Students must sign **IN** and **OUT** on the examination class list.
- Write your ID number on the question paper.
- Please number your responses accurately.
- This paper contains **TWO (2)** parts:

Part 1: 40 multiple choice questions: 40 marks, weighting 25%

Part 2: Two (2) Short answer questions to choose one (1) Total: 30 marks, weighting 25%

DO NOT TURN THIS PAGE UNTIL YOU ARE TOLD TO DO SO

Part 1: Multiple Choice Questions

Instruction: Answer ALL questions in this section on the answer sheet provided.

1. Which of the following payment methods is most commonly used in e-commerce transactions?
 - A) Cash on delivery
 - B) Bank transfer via check
 - C) Credit/debit cards
 - D) Barter system
2. What is "conversion rate" in e-commerce?
 - A) The percentage of visitors who abandon their shopping cart
 - B) The percentage of visitors who complete a desired action, such as making a purchase
 - C) The total amount of money spent on a website in a day
 - D) The average time a customer spends on an e-commerce site
3. Which of the following is an example of a Business-to-Business (B2B) e-commerce model?
 - A) A wholesaler selling products to a retailer
 - B) A customer buying groceries from an online store
 - C) A customer selling handmade jewelry to other customers
 - D) A business selling advertising space to consumers
4. What is the primary benefit of "personalization" in e-commerce?
 - A) Ensures the website loads faster
 - B) Increases the chance of repeat sales by tailoring content to individual users
 - C) Limits the number of products a customer can see
 - D) Prevents customers from abandoning their shopping carts
5. Which of the following is a challenge commonly faced by e-commerce businesses?
 - A) Limited geographic reach
 - B) Managing inventory for physical stores
 - C) Fraudulent transactions and cybersecurity risks
 - D) Lack of customer support options
6. The entrepreneurs who are proving to be the most successful in e-commerce are those who know how _____.
 - A) their industries work, inside and out
 - B) technology works, inside and out
 - C) to turn a profit
 - D) to effectively finance their e-commerce effort
7. Which is a function of E-commerce
 - A) marketing
 - B) advertising
 - C) warehousing
 - D) all of the above
8. What is the purpose of using an Inventory Management System for a small business?
 - A) To manage customer communication
 - B) To keep track of stock levels, orders, and suppliers
 - C) To create marketing campaigns
 - D) To record employee work hours
9. How can small businesses benefit from using big data analytics?
 - A) By helping to predict customer preferences and trends
 - B) By storing more files in cloud storage
 - C) By limiting the number of customers they serve
 - D) By making financial reports more complicated

10. Which of the following is a key consideration when determining whether to use debt or equity financing for a small business?
 - A) The owner's desire to maintain control of the business
 - B) The number of customers the business has
 - C) The business's current tax rate
 - D) Whether the business plans to expand internationally

11. What is the common drawback of taking on too much debt financing for a small business?
 - A) The business may lose ownership to investors
 - B) The business may struggle to meet repayment schedules, which can lead to financial difficulties or bankruptcy
 - C) The business may be required to pay no interest
 - D) The business will need to hire more employees

12. How can a small business improve its chances of securing a loan or investment?
 - A) By having a solid business plan, and a clear strategy for growth
 - B) By minimizing all business expenses and eliminating all debt
 - C) By offering discounts to investors
 - D) By relying on personal savings alone

13. What is an "angel investor"?
 - A) A private individual who invests in a business in exchange for ownership equity or debt
 - B) A government official who provides funding to businesses
 - C) A venture capitalist who provides long-term loans
 - D) A bank that offers small business loans

14. Which of the following is a common source of funding for small businesses in the early stages?
 - A) Venture capital
 - B) Business loans from a bank
 - C) Personal savings or funds from family and friends
 - D) Government grants

15. What is the main purpose of a business plan when seeking financing?
 - A) To provide a detailed history of the business
 - B) To explain how the business will spend its profits
 - C) To outline the business's goals, strategies, and how it will repay the loan or generate profits
 - D) To advertise the business to potential customers

16. What is the difference between equity financing and debt financing?
 - A) Debt financing involves selling part of the business, while equity financing involves borrowing money from lenders.
 - B) Equity financing involves borrowing money, while debt financing involves selling ownership in the business.
 - C) Debt financing involves borrowing money and repaying it with interest, while equity financing involves selling ownership in exchange for capital.
 - D) There is no difference between equity and debt financing.

17. Which of the following is an example of debt financing for a small business?
 - A) Selling shares of the company
 - B) Borrowing money through a bank loan or line of credit
 - C) Receiving a government grant
 - D) Crowdfunding through donations

18. What is a "cash flow statement" and why is it important for financing a small business?
 - A) A report that tracks the business's revenue from sales only
 - B) A financial document that shows the inflow and outflow of cash, helping investors or lenders evaluate the business's financial health
 - C) A list of customers who have paid for products or services
 - D) A tool for tracking the number of products sold

19. Which of the following is a major benefit of using crowdfunding to finance a small business?
- A) It allows the business to avoid giving up ownership or paying interest
 - B) It guarantees immediate profits
 - C) It eliminates the need for a business plan
 - D) It provides a loan that doesn't need to be repaid
20. When applying for a traditional bank loan, which of the following factors is typically considered by the lender?
- A) The business's credit history
 - B) The owner's personal hobbies
 - C) The company's website design
 - D) The color of the business's logo
21. What is the primary disadvantage of using credit cards to finance a small business?
- A) Low-interest rates
 - B) High-interest rates and the risk of accumulating debt
 - C) No repayment requirements
 - D) The ability to access unlimited funds
22. What type of investor is most likely to invest in a small business in exchange for equity and a role in business decisions?
- A) Angel investor
 - B) Commercial bank
 - C) Venture capitalist
 - D) Personal loan provider
23. Which of the following is a key consideration when determining whether to use debt or equity financing for a small business?
- A) The owner's desire to maintain control of the business
 - B) The number of customers the business has
 - C) The business's current tax rate
 - D) Whether the business plans to expand internationally
24. What is the purpose of a "talent management" strategy in HR?
- A) To monitor employee health and wellness
 - B) To recruit new employees from external sources only
 - C) To attract, develop, retain, and utilize employees with the right skills and potential for the organization's success
 - D) To conduct employee exit interviews
25. What is "job enlargement"?
- A) Increasing the salary and benefits of an employee
 - B) Expanding the responsibilities and tasks of an employee to reduce monotony and enhance job satisfaction
 - C) Moving employees from one department to another
 - D) Downsizing or laying off employees to improve efficiency
26. What is "compensation benchmarking"?
- A) Setting a company's wages based on competitors' pay rates in the same industry or region
 - B) Offering company bonuses based on employee performance
 - C) A strategy to provide non-monetary employee benefits
 - D) Tracking employee attendance and absences
27. What is the purpose of a "360-degree feedback" system?
- A) To evaluate an employee's performance from multiple sources, including managers, peers, and subordinates
 - B) To assess the financial performance of the company
 - C) To focus solely on an employee's annual performance review
 - D) To conduct exit interviews for departing employees

28. Which of the following is a key function of human resource planning?
- A) To create job descriptions
 - B) To evaluate employee performance
 - C) To forecast the company's future workforce needs and plan accordingly
 - D) To develop compensation packages
29. What is "collective bargaining" in the context of HRM?
- A) The process by which employees share their opinions with managers
 - B) Negotiations between employers and trade unions on issues such as wages, working conditions, and benefits
 - C) The act of firing employees for misconduct
 - D) The process of giving feedback to employees after a performance review
30. What is "employee turnover"?
- A) The rate at which employees are promoted to higher positions
 - B) The process of managing employee training and development
 - C) The rate at which employees leave an organization and are replaced by new employees
 - D) The process of hiring new employees from external sources
31. Which of the following is a method for assessing employee training effectiveness?
- A) Employee self-assessment
 - B) Observation of employee performance after training
 - C) Conducting a company-wide survey
 - D) All of the above
32. What is "flexible working arrangements"?
- A) A policy that allows employees to set their own salary rates
 - B) A policy that allows employees to work from home or adjust their work hours to fit their personal needs
 - C) A method of handling employee discipline
 - D) A system for monitoring employee attendance and tardiness
33. What is "job rotation" in HRM?
- A) A process of allowing employees to work in different roles within the company to improve their skills and reduce monotony
 - B) A way of organizing employees based on their experience levels
 - C) A method for terminating underperforming employees
 - D) A method of rewarding top performers with increased job responsibilities
34. Which of the following best describes "employee motivation"?
- A) Encouraging employees to attend more meetings
 - B) The internal or external factors that stimulate an employee's enthusiasm to work and achieve organizational goals
 - C) Offering employees free meals and snacks during working hours
 - D) Reducing the number of tasks an employee is responsible for
35. What is "workforce diversity"?
- A) Creating a team of employees from similar backgrounds
 - B) The practice of hiring employees based on their qualifications only
 - C) The inclusion of employees from different backgrounds, cultures, genders, and abilities to create a more dynamic work environment
 - D) A strategy of hiring employees who all share the same work ethic
36. What is the term for "conflict resolution" in the workplace?
- A) The process of making decisions on employee compensation
 - B) The process of resolving disagreements between employees or between employees and management
 - C) The process of determining the number of employees to hire for each department
 - D) The process of providing employee benefits

37. Which of the following is an example of "employee wellness programs" in HR?
- A) Health insurance coverage for employees
 - B) Providing gym memberships or stress management workshops to promote overall well-being
 - C) Organizing team-building activities
 - D) Offering employee discounts on company products
38. In training employees for the new positions, Gregory will apply which human resource management goal?
- A) Managing talent
 - B) Finding the right people
 - C) Implementing strategies
 - D) Maintaining an effective workforce
39. One of the biggest barriers to small business exports is lack of _____.
- A) attractive countries that are not already saturated by franchising efforts
 - B) access to adequate financing
 - C) effective distribution strategies
 - D) information to make informed decisions about franchising
40. Which of the following is the primary responsibility of the HR department in a company?
- A) Conducting market research for product development
 - B) Managing employee training and development
 - C) Setting the company's product pricing
 - D) Managing the company's website

Part 2: Short answer questions on Leadership, Motivation and Distribution.

Instructions: This section contains Two (2) questions with parts. Choose ONE (1) of the of questions. Read the questions and answer ALL questions parts below.

QUESTION 1.

- a) Discuss THREE (3) challenges faced by businesses using e-commerce to grow their businesses. [12 marks]
 - b) Explain TWO (2) ways technology can assist businesses. [4 marks]
 - c) Explain TWO (2) benefits of using debt financing for business. [6 marks]
 - d) Explain TWO (2) factors that must be considered before seeking finance. [6 marks]
 - e) Define the term budgeting. [2 marks]
- Total: 30 marks**

QUESTION 2.

- a) Discuss THREE (3) ways business owners can motivate workers. [12 marks]
- b) Explain TWO (2) importance of training programmes for your business employees. [6 marks]
- c) Explain TWO (2) advantages of external recruitment for your business. [6 marks]
- d) Explain TWO (2) benefits of strong leadership for the effective operations of your business. [6 marks]

Total: 30 marks

END OF EXAMINATION