



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

COURSE CODE : BUS103
COURSE TITLE : Small Business Operations
LECTURER(S) : Jacqueline Charlemagne
DATE : May 9, 2025
TIME : 9 a.m.
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%

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Part 1: Multiple Choice Questions

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

1. Which of the following is the best way for a small business to back up its important data?
 - A) Manually saving files to a desktop
 - B) Using a cloud-based backup solution
 - C) Storing files in a local folder without backup
 - D) Saving data on external hard drives only
2. What is the role of a business website for a small business?
 - A) To store files and documents
 - B) To help customers find and engage with the business online
 - C) To run payroll for employees
 - D) To provide local weather updates
3. Which of the following is a potential drawback of relying on free online tools for business operations?
 - A) They are often too expensive for small businesses.
 - B) They usually come with fewer features and limited support.
 - C) They have higher levels of security than paid tools.
 - D) They are always easy to use and require no training.
4. What is the main function of a point-of-sale (POS) system in a small business?
 - A) To manage payroll
 - B) To process sales transactions and manage inventory
 - C) To design marketing materials
 - D) To manage company emails
5. What does SEO stand for in the context of e-commerce?
 - A) Sales Event Optimization
 - B) Secure E-commerce Online
 - C) Search Engine Optimization
 - D) Simple E-commerce Order
6. What is the primary purpose of affiliate marketing in e-commerce?
 - A) To create products for sale
 - B) To help businesses sell products through third-party promoters
 - C) To provide customer support
 - D) To manage inventory levels
7. Which of the following is a common form of digital marketing in e-commerce?
 - A) Billboards and print ads
 - B) Social media advertising
 - C) Cold calling customers
 - D) Radio commercials
8. For a small business with a small advertising budget, which of the following media of advertising would cost the LEAST?
 - A) Instagram
 - B) Popular internet site
 - C) Popular radio station
 - D) Local television channel
9. Which of the following describes e-commerce?
 - A) Doing business physically
 - B) Doing business electronically
 - C) Sale of goods
 - D) All of the above

10. Which is not a function of E-commerce?
- A) Marketing
 - B) Advertising
 - C) Warehousing
 - D) None of the above
11. 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
12. 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
13. 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.
14. 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
15. 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
16. 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
17. 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
18. 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

19. 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
20. Which of the following is a key advantage of securing funding from a venture capitalist?
- A) The funding is usually interest-free
 - B) Venture capitalists provide resources to help the business grow
 - C) Venture capitalists do not require a share of ownership
 - D) The funding is a government grant and does not require repayment
21. 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
22. How can a small business improve its chances of securing a loan or investment?
- A) By demonstrating consistent profitability, 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
23. Which of the following is a key advantage of securing funding from a venture capitalist?
- A) The funding is usually interest-free
 - B) Venture capitalists provide expertise, connections, and resources to help the business grow
 - C) Venture capitalists do not require a share of ownership
 - D) The funding is a government grant and does not require repayment
24. Which of the following is a process that uses different raters, including self-rating, to appraise employee performance and guide development?
- A) 360-degree feedback
 - B) Job evaluation
 - C) Multiple-rater appraisal
 - D) Performance appraisal interview
25. What is the primary purpose of human resource management (HRM)?
- A) To handle employee payroll
 - B) To maximize employee productivity and align workforce goals with organizational objectives
 - C) To create marketing campaigns for the company
 - D) To manage the company's finances
26. Which of the following is an example of a non-monetary employee benefit?
- A) Salary increase
 - B) Health insurance
 - C) Flexible work schedule
 - D) Profit-sharing plan
27. What is the process of recruitment in HRM?
- A) The act of setting employee compensation and benefits
 - B) The identification and hiring of qualified candidates for job vacancies
 - C) The evaluation of employee performance
 - D) The training of employees for new roles

28. What is an "employee performance appraisal"?
- A) A method of setting salary rates
 - B) A formal evaluation of an employee's job performance, skills, and contributions
 - C) A tool used for employee recruitment
 - D) A report about the company's financial health
29. Which are used to help determine why employees are leaving their jobs?
- A) Termination interviews
 - B) Focus groups
 - C) Employment tests
 - D) Exit interviews
30. What is the purpose of employee onboarding?
- A) To evaluate employee performance
 - B) To train employees for specialized roles
 - C) To introduce new employees to the company culture, policies, and procedures
 - D) To increase employee turnover
31. What does "diversity and inclusion" refer to in the workplace?
- A) Hiring only employees from specific regions or backgrounds
 - B) Promoting a workforce with a variety of differences in terms of race, gender, age, and background, and fostering an inclusive environment for all employees
 - C) Ensuring that only experienced workers are hired
 - D) Creating a workforce of similar characteristics to improve team cohesion
32. What is a "job description" in HRM?
- A) A list of tasks and responsibilities required for a specific position
 - B) A document detailing an employee's salary and benefits
 - C) A legal contract outlining the terms of employment
 - D) A guide for the company's marketing strategy
33. Which of the following is an example of a "compliance issue" in HR?
- A) Offering employees a flexible schedule
 - B) Ensuring the company follows labor laws and regulations related to overtime, benefits, and employee rights
 - C) Developing a corporate culture strategy
 - D) Organizing team-building activities
34. What is the purpose of employee training and development programs?
- A) To help employees develop new skills, improve job performance, and advance in their careers
 - B) To limit employee interaction and communication
 - C) To recruit new candidates for job openings
 - D) To assign employees their work schedules
35. What is "succession planning" in HRM?
- A) Developing a plan for employee performance reviews
 - B) Developing a plan to replace key employees and ensure leadership continuity within the company
 - C) Creating a rewards and recognition program for employees
 - D) Planning for employee layoffs
36. Which of the following is an example of "employee engagement"?
- A) Offering a monetary bonus based on performance
 - B) Ensuring that employees are motivated, satisfied, and committed to the company's goals
 - C) Providing training programs to improve skills
 - D) Conducting an employee exit interview

37. What is "workplace harassment"?
- A) Providing employees with a variety of benefits
 - B) Creating an environment where employees are encouraged to express their opinions freely
 - C) Unwanted and inappropriate behavior that creates a hostile or intimidating work environment
 - D) Offering employees performance bonuses
38. Which of the following is an example of a "compensation" in HR?
- A) A training program to improve leadership skills
 - B) Health insurance offered as a benefit
 - C) A salary or hourly wage paid to employees for their work
 - D) Employee recognition through awards
39. What is the main objective of performance management in HRM?
- A) To identify potential new employees for recruitment
 - B) To ensure that the company's vision aligns with its marketing goals
 - C) To evaluate and improve employee performance to contribute to organizational success
 - D) To handle payroll and tax documentation
40. Which of the following is considered a "retention strategy" for employees?
- A) Offering competitive compensation and career growth opportunities
 - B) Conducting annual performance reviews
 - C) Monitoring employee attendance
 - D) Evaluating workplace cleanliness and safety standards

Part 2: Short answer questions.

Instruction: This section contains Two (2) questions. Choose ONE (1) of the questions. Read the question and answer ALL parts of the question on foolscap paper.

QUESTION 1

- a) Explain TWO (2) ways e-commerce has changed the landscape of doing business. [6 marks]
 - b) Discuss THREE (3) benefits of using technology for small business operation. [12 marks]
 - c) Explain TWO (2) ways effective budgeting can help small businesses grow. [6 marks]
 - d) Explain TWO (2) sources of finance available to small businesses. [6 marks]
- Total: 30 marks**

QUESTION 2

- a) Discuss THREE (3) qualities of an effective leader in business. [12 marks]
- b) Explain TWO (2) factors that influence the choice of leadership style employed in business. [6 marks]
- c) Explain TWO (2) benefits of compensation to employee productivity. [6 marks]
- d) Explain TWO (2) importance of effective communication for business operation. [6 marks]

Total: 30 marks

END OF EXAMINATION