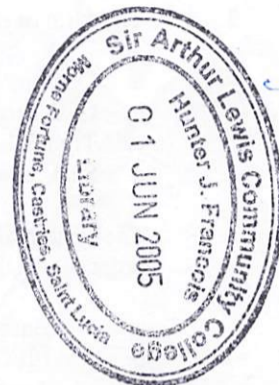


SIR ARTHUR LEWIS COMMUNITY COLLEGE
DIVISION OF TECHNICAL EDUCATION AND MANAGEMENT STUDIES

EXAMINATION SESSION : May 2005 Final Examinations
TUTOR : Mrs L McVane-Simmons
PROGRAMME TITLE : Office Administration
PROGRAMME CODE : 3BS-AOA-AD
COURSE TITLE : Office Procedures IB
COURSE CODE : AOA 107
CLASS(ES) : Year I
DATE: Thursday, 12 May 2005
TIME : 9:00 AM
DURATION: 2 ½ HOURS
ROOM : TRT RM 3
INVIGILATOR (S) : Mrs L McVane-Simmons; Mrs L Joseph

#04



INSTRUCTIONS:

You have 5 minutes to read through this question paper before the start of the examination. Please ensure that your name is written on all printed forms and notepaper. **Marks will be deducted for untidiness and illegible handwriting.**

The examination is in **THREE** sections –

- | | | | |
|-----------|---|---|------------|
| SECTION 1 | - | MULTIPLE CHOICE Answer <u>ALL</u> items | (40 MARKS) |
| SECTION 2 | - | Fill in the blank(s)/Short Answers Answer <u>ALL</u> items | (20 MARKS) |
| SECTION 3 | - | Long Answers Answer No. 53 | (20 MARKS) |
| | | and any | |
| | | TWO others | (20 MARKS) |



NOTE: Use the forms provided to complete the tasks in Section 3.

GOOD LUCK

GOD BLESS

HAVE A WONDERFUL

HOLIDAY

SECTION 1

MULTIPLE CHOICE: Circle the alternative A, B, C or D which correctly completes each question. To each item there is only one correct answer. Each question is worth one mark.

1. A reception register:
 - a. Is used to record visitors to the company
 - b. Shows who has arrived unexpectedly
 - c. Records all registered letters received
 - d. Is a file containing caller cards

2. The form of discount some businesses allow to encourage prompt payment is:
 - a. Quantity discount
 - b. Cash discount
 - c. Trade discount
 - d. Sales discount

3. The system of stock control and valuation based on the assumption that stock will be sold or issued in the order in which it has been purchased is known as the:
 - a. Based stock system
 - b. FIFO system
 - c. Average stock system
 - d. LIFO system

4. Correspondence from Mary Deligney is accumulating in the Miscellaneous File. An individual folder should be prepared when the items number:
 - a. 3
 - b. 5
 - c. 12
 - d. 20

5. An internal request for goods to be drawn from stock should be in the form of:
 - a. a purchase order
 - b. a goods received note
 - c. a stock card
 - d. a stock requisition

6. A Petty Cash voucher should be countersigned by the:
 - a. petty cashier
 - b. recipient's supervisor
 - c. seller
 - d. recipient of the cash

7. CARR FWD on a quotation indicates that the price:
 - a. Includes the cost of using the supplier's own vehicle in delivering the goods to the buyer
 - b. Does not include the cost of transport to the buyer
 - c. Includes the cost of transport to the buyer
 - d. Includes the cost of forwarding goods to a transport depot

8. A pro-forma invoice is issued when goods are sold:
 - a. On credit
 - b. On hire purchase terms
 - c. Subject to approval
 - d. With a trade discount

9. The filing point in a document which is used for chronological filing is the:
 - a. Reference number
 - b. Company name
 - c. Date
 - d. Subject

10. A quotation is:
- A request for goods to be purchased
 - Part delivery of an order
 - An offer to supply goods at a set price
 - A notification that goods are in stock
11. A visitor to your country has asked for the names of local car rental agencies. Where is one MOST likely to get this kind of information? Is it the:
- Posters at the airport
 - Traffic department of the police station
 - Billboards on the roadside
 - Yellow pages of the telephone directory
12. An outstanding cheque may be defined as one that:
- Has not yet been presented to the bank for payment
 - Was written for more money than is in the account
 - Needs more than one signature
 - Must be certified by the bank manager
13. Periodically checking stock on a random sample basis is called:
- Stock control
 - Annual inventory
 - Annual stock taking
 - Perpetual inventory
14. Bar coding is a means of:
- Controlling stocks of wines and spirits in public houses and restaurants
 - Printing receipts and controlling stocks
 - Allocating code numbers to stock cards
 - Printing statements for goods supplied on credit
15. File retrieval is a term used to denote:
- Thinning out of files
 - Copying file documents
 - Cross-referencing files
 - Gaining access to files
16. A disadvantage of the vertical filing system is:
- extra floor space is required for opening drawers
 - there is difficulty in reading the file titles in a vertical position
 - files become dusty because of the frequent opening of the doors
 - the need to reach files from a height which is potentially hazardous
17. A letter containing a \$100 bank note should be sent:
- COD
 - Recorded Delivery
 - Post Restante
 - Registered post
18. The person responsible for recording financial transactions in an organization is the:
- Cashier
 - Accountant
 - Personnel Manager
 - Sales Manager
19. The top copies of business letters are normally typed on:
- Bond paper
 - Bank paper
 - NCR paper
 - Cartridge paper

20. Cash and cheques are paid into a bank current account by means of:
- Cash and cheque cards
 - Direct debit
 - Paying-in book
 - Cash dispenser
21. Which method of filing is capable of indefinite expansion by placing new files at the back of existing files?
- Subject
 - Numerical
 - Geographical
 - Alphabetical by name
22. Documents which have been micro-filmed can be viewed and magnified using a:
- Reader
 - Recorder
 - Processor
 - Television
23. A company does not wish to hold too much stock at any one time because:
- Better discount rates can be secured by ordering smaller quantities at frequent intervals
 - More storekeepers will have to be employed
 - Transport charges are lower for small consignments
 - More capital than is necessary is tied up in stock
24. To find a file in a numerical filing system, it is usually necessary to refer to:
- An alphabetical Index
 - An Out Card
 - A follow-up system
 - An aperture card
25. The usual sequence of sales documentation is:
- Quotation, invoice, order, credit note and statement of account
 - Quotation, invoice, credit note, order and statement of account
 - Quotation, order, credit note, invoice and statement of account
 - Quotation, order, invoice, credit note and statement of account
26. Stock Control cards record:
- daily totals of credit and cash purchases of stock
 - daily totals of stock requisitioned by all departments
 - names and addresses of companies which offer to supply stock
 - daily entries of receipts and issues of stock
27. A STALE CHEQUE is one which:
- has a crumpled appearance
 - is not crossed
 - is more than 6 months old
 - has had several owners
28. In the bank credit transfer system the payee receives the amount by:
- Direct payment into his/her bank account
 - Cheque posted from the drawer
 - Credit note posted from the drawer
 - Cheque posted from the drawers bank
29. Re-arrange the following quotations in price order, beginning with the cheapest. Assume a carriage charge of \$20 and VAT at the rate of 17%. Write the letters on the line provided to indicate the correct order.
- \$300 excluding VAT, Carr Paid
 - \$300 including VAT, Ex-works
 - \$300 including VAT, Carr paid
 - \$300 excluding VAT, Carr fwd
- Answer _____
30. A salesman is in charge of retail outlets throughout the country. Which of the following systems should be used when filing correspondence with these outlets?
- geographical
 - numerical
 - alphabetical
 - alpha-numeric

31. Micro images placed side by side on a reel of film are referred to as :
- microfiche
 - cartridges
 - slides
 - microfilm
32. Which one of the following does not give an indication of the filing equipment used?
- horizontal
 - chronological
 - vertical
 - lateral
33. Which one of the following is not a filing classification system?
- numerical
 - subject
 - vertical
 - geographical
34. A file is said to be inactive when:
- the correspondence is insufficient to justify opening a separate folder
 - it has been withdrawn by someone for reference purposes
 - it has not been released for filing as it is still being referred to
 - it is of no further use and is ready to be disposed of
35. 2 ½% 30 days on an invoice means:
- 2 1/2 % can be deducted if the invoice is paid within 30 days
 - 2 ½% will be added to the invoice if it is not paid within 30 days
 - 2 ½% deposit must be paid within 30 days
 - 2 ½% must be paid if the goods are returned within 30 days
36. Stock record cards are most conveniently filed in:
- visible card trays
 - box files
 - strip index revolving units
 - lateral filing cabinets
37. In which one of the following situations would an Advice Note be used?
- When goods are being dispatched to the buyer
 - When goods have been returned by a buyer
 - When goods were ordered by a prospective buyer
 - When goods have to be paid for by the buyer
38. The department of a firm responsible for stock control is:
- sales
 - accounts
 - buying
 - purchasing
39. The reason for issuing stationery from stock on a FIFO basis is to:
- avoid deterioration of stationery whilst in stock
 - dispose of recent acquisitions first
 - allow stock to appreciate in value
 - save valuable store room space
40. In which one of the following situations would a release mark be used?
- When a folder has been borrowed from the files
 - When documents have become inactive and are transferred
 - When a document has been acted upon and is ready for filing
 - When a document received in the mail is to be seen by more than one person

(40 x 1 = 40 marks)

END OF SECTION 1

SECTION 2 – PART A

**SECTION 2 – FILL IN THE BLANKS/SHORT ANSWERS/TRUE OR FALSE
(20 marks) Answer in the space(s) provided.**

1. Give 3 advantages of microfilm as a form of storage of documents:
a
b
c
2. State FIVE indexing rules which must be followed for order to be maintained in an alphabetical based filing system.
a
b
c
d.....
e
3. Write the following abbreviations (used primarily in the buying and selling process) in full:
FIFO
NCR
EFTPOS
CIF
FOB
E. & O.E.
4. Regarding filing, large maps, plans, photographs and charts should not be rolled or folded but instead should be filed flat in Plan chests..
5. The document which a firm will send to notify a customer to correct an amount undercharged on an invoice is called a/an.....
6. A/An is sent to a customer by the Accounts Department at the end of the accounting period showing the total amount owed and requesting payment.
7. An expected but not guaranteed price given when the seller cannot provide the buyer with a definite price is called a/an

TRUE OR FALSE

Write T if the statement is TRUE and F if is false. Use the line provided.

8. _____ Good organizational skills are not an essential requirement for success in today's workplace.
9. _____ MICR technology enables banks to automatically sort and record cheques by computer.
10. _____ A Tickler File is a good follow-up organizer which aids office professionals in remembering details and meeting deadlines.
11. _____ An ATM bank card enables a person to purchase goods on credit and pay the debt at a later date.
12. _____ Ergonomics is the science of fitting the workplace to meet the physical and psychological needs of the employee.

(20 x 1 = 20)

END OF SECTION 2

SECTION 3

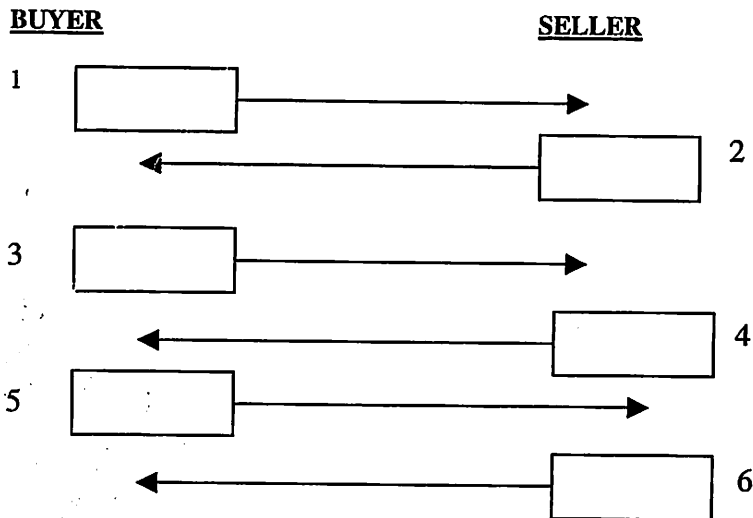
SECTION 3 - LONG ANSWERS: Answer question 1 and any TWO other questions. Use appropriate forms and foolscap paper for your answers. Please number and label your answers properly.

1. (a) Figure 1 shows the page of a petty cash book. Answer the following questions on the foolscap provided.
- i. What is the main purpose of the petty cash book?
 - ii. The example given is kept on the "imprest" system; explain how this works. (2 marks)
 - iii. What should be the amount of the next item to be entered on the Debit side?
 - iv. Column No. 7 refers to the numbers on the petty cash vouchers. What are these vouchers and what other information is shown on them? (2 marks)
 - v. Columns 9-12 are analysis columns. Why separate the items of expenditure in this way?
 - vi. What do the numbers L. 8-11 refer to?
 - vii. What method will be used to file the vouchers?
 - viii. What should the cash remaining, plus the current vouchers, always total?
 - ix. State how a check can be made at any time during the imprest period to prove that the petty cash held is correct.
- (11 marks)
- (b) The Petty Cashier has not been able to balance the petty cash book for the week. Find out where the mistakes have occurred (Refer to the Vouchers in Figure 2 and the Petty Cash book in Figure 3). Rewrite the Petty Cash sheet making the correct entries on the blank sheet provided and restore the imprest for the following week.
- (6 marks)
- (c) Regarding the Buying and Selling process, state THREE reasons why a CREDIT NOTE would need to be issued by the seller.

ANSWER ONLY 2 QUESTIONS

2. (a) You have been asked to take charge of your department's stationery cupboard which is illustrated in Figure 4. Draw up a list of FOUR rules to be followed in future to ensure the department's stock is stored safely and efficiently. Give a reason for each rule. (4 marks)
- (b) Complete the visible edge stationery stock record card (Figure 5) with the following information:
- | | | |
|-----------------|---|---|
| DESCRIPTION | - | Bond A4 White |
| MAX | - | 10 Reams |
| MIN | - | 2 Reams |
| SUPPLIER | - | H. James & Son |
| DELIVERY PERIOD | - | 2 WEEKS |
| Unit | - | 1 Ream |
| STORES REF | - | 20 31 76 |
| RE-ORDER LEVEL | - | Calculate by multiplying the average weekly consumption Of 2 reams by the delivery period. |
- (4 marks)
- (c) Refer to the Stock Record Card in (b) above and name the document you would consult to complete
- (i) the "Gds Rec No" column (1 mark)
 - (2) the "Gds Iss No" column (1 mark)
3. (a) List FOUR characteristics of a good filing system. (2 marks)
- (b) Explain EACH of the following terms as they apply to filing:
- (i) Retention Period
 - (ii) Cross-Referencing
 - (iii) Indexing (1 ½ marks)
- (c) List TWO advantages and ONE disadvantage of numeric filing systems. (1 ½ marks)
- (d) Index and list in alphabetical order the following names of customers for whom files will be opened:
- Harold Roberson
J. B. St. Helen & Co. Ltd.
The University of Oklahoma
24 Hour Grocery
Robert Edward Kramer, M.D.
Harold O. Roberson
Sir John St. Helen
Rain or Shine Boot Shoppe
Chez Pierre
Mr. Robert Edwin Kramer
- (5 marks)

4. (a) Assume that you are employed in the Purchasing Department of a large company and that you are explaining the flow of documents to a new employee. You prepare the following diagram which shows, in correct sequence, the flow of documents from the time the need for an item has been identified, up to the point when payment has been made for the item.



Identify the SIX documents in correct sequence as indicated from numbers 1 – 6 above. Write your numbered responses on the foolscap provided.

(3 marks)

- (b) As the buyer for your company you have received a number of quotations from different businesses, state **THREE** factors which would affect your decision to buy from one company rather than another.

(1 ½ marks)

- (c) When **THREE** copies of an invoice are prepared, to who does **EACH** of the copies go?

(1 ½ marks)

- (d) Browne & Coombs Office Supplies Ltd. Are offering the following terms on all orders:

- 1% trade Discount on all items
- Free delivery by the company's van
- 20% cash discount if paid within 10 days or the full amount in 30 days

The following order was received on April 30, 2005

| QUANTITY | DESCRIPTION | UNIT PRICE |
|----------|--|------------|
| 1 only | 4-door filing cabinet (with locks) | \$ 775.00 |
| 1 only | Typewriting chair (dark blue upholstery) | 300.00 |
| 2 only | Standing fans | 125.00 |

ORDER No. 1762

HEADLEY BUSINESS SCHOOL
Pelican Street
Bridgetown, Barbados

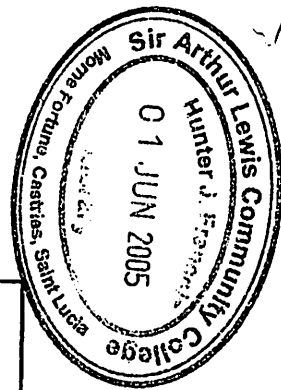
Telephone: 426-3751 Fax: 426-7781

TO: Browne & Coombs Office Supplies Ltd
Broad Street
Bridgetown

DATE: 30 April, ..

Please supply

R Anthony
PRINCIPAL



You are required to use the form provided to prepare the invoice for the sale of the goods ordered. (4 marks)