



Business exit Exam Ethiopia

Business Department Exit Exam Questions

Multiple-choice questions

1. What is the primary goal of a business?

- A) To maximize employee satisfaction
- B) To maximize profits
- C) To minimize costs
- D) To expand globally

Answer: B) To maximize profits

2. Which of the following is a characteristic of a sole proprietorship?

- A) Limited liability
- B) Shared ownership
- C) Single ownership

D) Complex taxation

Answer: C) Single ownership

3. What does GDP stand for?

A) Gross Domestic Product

B) General Domestic Product

C) Gross Development Product

D) General Development Product

Answer: A) Gross Domestic Product

4. Which of the following is NOT a factor of production?

A) Land

B) Labor

C) Capital

D) Marketing

Answer: D) Marketing

5. What is the main purpose of market research?

A) To increase sales

B) To understand consumer needs

C) To reduce costs

D) To improve employee morale

Answer: B) To understand consumer needs

6. Which of the following is a common pricing strategy?

- A) Cost-plus pricing
- B) Employee pricing
- C) Market share pricing
- D) Brand loyalty pricing

Answer: A) Cost-plus pricing

7. What is the term for a market structure with many firms competing against each other?

- A) Monopoly
- B) Oligopoly
- C) Perfect competition
- D) Monopolistic competition

Answer: C) Perfect competition

8. Which financial statement shows a company's revenues and expenses over a specific period?

- A) Balance sheet
- B) Cash flow statement
- C) Income statement
- D) Statement of retained earnings

Answer: C) Income statement

9. What is the primary function of human resource management?

- A) To manage financial resources
- B) To oversee production processes

- C) To manage employee relations and development
- D) To handle marketing strategies

Answer: C) To manage employee relations and development

10. Which of the following is a benefit of globalization?

- A) Increased tariffs
- B) Greater market access
- C) Reduced competition
- D) Limited consumer choice

Answer: B) Greater market access

11. What is the term for the difference between total revenue and total costs?

- A) Profit
- B) Loss
- C) Margin
- D) Revenue

Answer: A) Profit

12. Which of the following is a disadvantage of a partnership?

- A) Shared decision-making
- B) Unlimited liability
- C) Easier access to capital
- D) Diverse skills and expertise

Answer: B) Unlimited liability

13. What is the primary purpose of advertising?

- A) To inform consumers
- B) To entertain consumers
- C) To persuade consumers
- D) To educate consumers

Answer: C) To persuade consumers

14. Which of the following is a key component of a business plan?

- A) Market analysis
- B) Employee handbook
- C) Tax returns
- D) Personal biography

Answer: A) Market analysis

15. What is the term for a government-imposed limit on the quantity of a product that can be imported?

- A) Tariff
- B) Quota
- C) Subsidy
- D) Embargo

Answer: B) Quota

16. Which of the following is a common method of financing a business?

- A) Personal savings
- B) Bank loans
- C) Venture capital
- D) All of the above

Answer: D) All of the above

17. What is the primary focus of operations management?

- A) Marketing strategies
- B) Financial planning
- C) Production efficiency
- D) Human resources

Answer: C) Production efficiency

18. Which of the following is a key component of a marketing mix?

- A) Product
- B) Price
- C) Place
- D) All of the above

Answer: D) All of the above

19. What is the term for the process of evaluating and selecting among different strategies?

- A) Strategic planning
- B) Tactical planning

C) Operational planning

D) Contingency planning

Answer: A) Strategic planning

20. Which of the following is a common method of market segmentation?

A) Geographic segmentation

B) Demographic segmentation

C) Psychographic segmentation

D) All of the above

Answer: D) All of the above

21. What is the primary role of a manager?

A) To create products

B) To oversee and coordinate activities

C) To sell products

D) To conduct market research

Answer: B) To oversee and coordinate activities

22. Which of the following is a characteristic of a monopoly?

A) Many sellers

B) Homogeneous products

C) Single seller

D) Free entry and exit

Answer: C) Single seller

23. What is the term for the process of creating a new product or service?

A) Innovation

B) Production

C) Marketing

D) Distribution

Answer: A) Innovation

24. Which of the following is a type of business ownership?

A) Corporation

B) Franchise

C) Cooperative

D) All of the above

Answer: D) All of the above

25. What is the primary purpose of a balance sheet?

A) To show profitability

B) To show cash flow

C) To show financial position at a specific point in time

D) To show sales performance

Answer: C) To show financial position at a specific point in time

26. Which of the following is a key principle of supply and demand?

A) Prices increase when supply exceeds demand

- B) Prices decrease when demand exceeds supply
- C) Prices increase when demand exceeds supply
- D) Prices remain constant regardless of supply and demand

Answer: C) Prices increase when demand exceeds supply

27. What is the term for the cost of borrowing money?

- A) Interest
- B) Dividend
- C) Profit
- D) Revenue

Answer: A) Interest

28. Which of the following is a common form of non-verbal communication?

- A) Written reports
- B) Body language
- C) Emails
- D) Phone calls

Answer: B) Body language

29. What is the primary function of marketing?

- A) To produce goods
- B) To sell products
- C) To identify and satisfy customer needs
- D) To manage finances

Answer: C) To identify and satisfy customer needs

30. Which of the following is a disadvantage of globalization?

- A) Increased competition
- B) Job displacement
- C) Access to new markets
- D) Lower prices for consumers

Answer: B) Job displacement

31. What is the term for a business's ability to meet its short-term financial obligations?

- A) Profitability
- B) Liquidity
- C) Solvency
- D) Efficiency

Answer: B) Liquidity

32. Which of the following is a common source of business financing?

- A) Equity financing
- B) Debt financing
- C) Retained earnings
- D) All of the above

Answer: D) All of the above

33. What is the primary purpose of a cash flow statement?

- A) To show profitability
- B) To show cash inflows and outflows
- C) To show financial position
- D) To show sales performance

Answer: B) To show cash inflows and outflows

34. Which of the following is a key element of corporate social responsibility (CSR)?

- A) Profit maximization
- B) Environmental sustainability
- C) Employee satisfaction
- D) Market share growth

Answer: B) Environmental sustainability

35. What is the term for a formal agreement between two or more parties to do business together?

- A) Contract
- B) Partnership
- C) Franchise
- D) Joint venture

Answer: A) Contract

36. Which of the following is a common method of performance appraisal?

- A) 360-degree feedback
- B) Self-assessment

C) Peer review

D) All of the above

Answer: D) All of the above

37. What is the primary purpose of a mission statement?

A) To outline financial goals

B) To define the company's purpose and values

C) To describe products and services

D) To set pricing strategies

Answer: B) To define the company's purpose and values

38. Which of the following is a characteristic of a good leader?

A) Authoritarian

B) Inflexible

C) Empathetic

D) Indifferent

Answer: C) Empathetic

39. What is the term for the systematic process of planning, organizing, leading, and controlling an organization's resources?

A) Management

B) Marketing

C) Production

D) Finance

Answer: A) Management

40. Which of the following is a common type of market structure?

A) Perfect competition

B) Oligopoly

C) Monopoly

D) All of the above

Answer: D) All of the above

41. What is the primary purpose of a SWOT analysis?

A) To assess financial performance

B) To evaluate strengths, weaknesses, opportunities, and threats

C) To analyze market trends

D) To develop marketing strategies

Answer: B) To evaluate strengths, weaknesses, opportunities, and threats

42. Which of the following is a method of qualitative research?

A) Surveys

B) Focus groups

C) Experiments

D) Observations

Answer: B) Focus groups

43. What is the term for the practice of promoting products by associating them with a particular lifestyle or image?

- A) Branding
- B) Positioning
- C) Advertising
- D) Public relations

Answer: A) Branding

44. Which of the following is a common financial ratio used to assess a company's profitability?

- A) Current ratio
- B) Debt-to-equity ratio
- C) Return on equity (ROE)
- D) Price-to-earnings (P/E) ratio

Answer: C) Return on equity (ROE)

45. What is the term for the process of identifying and developing new business opportunities?

- A) Entrepreneurship
- B) Innovation
- C) Market research
- D) Business development

Answer: D) Business development

46. Which of the following is a key factor in determining a product's price?

- A) Production costs
- B) Competitor pricing

C) Consumer demand

D) All of the above

Answer: D) All of the above

47. What is the term for a business strategy that focuses on reducing costs to increase market share?

A) Differentiation

B) Cost leadership

C) Focus strategy

D) Market penetration

Answer: B) Cost leadership

48. Which of the following is a common challenge faced by small businesses?

A) Limited access to capital

B) High employee turnover

C) Competition from larger firms

D) All of the above

Answer: D) All of the above

49. What is the primary purpose of a business's marketing strategy?

A) To increase production

B) To enhance customer satisfaction

C) To achieve competitive advantage

D) To reduce costs

Answer: C) To achieve competitive advantage

50. Which of the following is a benefit of effective teamwork in a business?

- A) Increased conflict
- B) Improved communication
- C) Decreased productivity
- D) Higher employee turnover

Answer: B) Improved communication

51. What is the term for the practice of managing a company's financial resources?

- A) Accounting
- B) Finance
- C) Marketing
- D) Operations

Answer: B) Finance

52. Which of the following is a common method of data collection in market research?

- A) Interviews
- B) Surveys
- C) Observations
- D) All of the above

Answer: D) All of the above

53. What is the primary goal of human resource management?

- A) To maximize profits
- B) To manage employee relations and development
- C) To oversee production processes
- D) To handle marketing strategies

Answer: B) To manage employee relations and development

54. Which of the following is a characteristic of a successful entrepreneur?

- A) Risk aversion
- B) Inflexibility
- C) Innovation
- D) Indecisiveness

Answer: C) Innovation

55. What is the term for the practice of setting prices based on the perceived value of a product?

- A) Cost-plus pricing
- B) Value-based pricing
- C) Competitive pricing
- D) Dynamic pricing

Answer: B) Value-based pricing

56. Which of the following is a common type of business plan?

- A) Startup plan
- B) Strategic plan

C) Operational plan

D) All of the above

Answer: D) All of the above

57. What is the term for the process of promoting and selling products or services?

A) Marketing

B) Advertising

C) Sales

D) Distribution

Answer: A) Marketing

58. Which of the following is a key component of a successful marketing campaign?

A) Clear objectives

B) Target audience

C) Effective messaging

D) All of the above

Answer: D) All of the above

59. What is the term for a business's long-term plan for achieving its goals?

A) Mission statement

B) Vision statement

C) Strategic plan

D) Operational plan

59. What is the term for a business's long-term plan for achieving its goals?

- A) Mission statement
- B) Vision statement
- C) Strategic plan
- D) Operational plan

Answer: C) Strategic plan

60. Which of the following is a common method of market entry for international businesses?

- A) Exporting
- B) Joint ventures
- C) Franchising
- D) All of the above

Answer: D) All of the above

61. What is the term for the practice of analyzing competitors to gain a competitive advantage?

- A) Market analysis
- B) Competitive intelligence
- C) SWOT analysis
- D) Benchmarking

Answer: B) Competitive intelligence

62. Which of the following is a key factor in employee motivation?

- A) Job security

- B) Recognition
- C) Opportunities for advancement
- D) All of the above

Answer: D) All of the above

63. What is the term for the systematic evaluation of an organization's performance?

- A) Performance appraisal
- B) Benchmarking
- C) Quality control
- D) Strategic review

Answer: A) Performance appraisal

64. Which of the following is a common type of business risk?

- A) Market risk
- B) Credit risk
- C) Operational risk
- D) All of the above

Answer: D) All of the above

65. What is the primary purpose of a financial audit?

- A) To assess employee performance
- B) To evaluate marketing strategies
- C) To verify the accuracy of financial statements

D) To analyze production efficiency

Answer: C) To verify the accuracy of financial statements

66. Which of the following is a common method of inventory management?

A) Just-in-time (JIT)

B) Economic order quantity (EOQ)

C) ABC analysis

D) All of the above

Answer: D) All of the above

67. What is the term for the practice of creating a unique image or identity for a product?

A) Branding

B) Positioning

C) Marketing

D) Advertising

Answer: A) Branding

68. Which of the following is a key component of a successful sales strategy?

A) Understanding customer needs

B) Building relationships

C) Effective communication

D) All of the above

Answer: D) All of the above

69. What is the term for the practice of managing a company's relationships with its customers?

- A) Customer service
- B) Customer relationship management (CRM)
- C) Sales management
- D) Marketing

Answer: B) Customer relationship management (CRM)

70. Which of the following is a common challenge in project management?

- A) Scope creep
- B) Resource allocation
- C) Time management
- D) All of the above

Answer: D) All of the above

71. What is the term for the practice of analyzing and improving business processes?

- A) Process optimization
- B) Quality assurance
- C) Business analysis
- D) Performance management

Answer: A) Process optimization

72. Which of the following is a common type of business ownership structure?

- A) Sole proprietorship
- B) Partnership
- C) Corporation
- D) All of the above

Answer: D) All of the above

73. What is the primary purpose of a business's vision statement?

- A) To outline financial goals
- B) To define the company's long-term aspirations
- C) To describe products and services
- D) To set pricing strategies

Answer: B) To define the company's long-term aspirations

74. Which of the following is a key factor in effective negotiation?

- A) Preparation
- B) Communication skills
- C) Understanding the other party's needs
- D) All of the above

Answer: D) All of the above

75. What is the term for the practice of managing a company's supply chain?

- A) Supply chain management
- B) Logistics
- C) Procurement

D) All of the above

Answer: D) All of the above