

OLABISI ONABANJO UNIVERSITY

CENTRE FOR SANDWICH PROGRAMME
FACULTY OF SOCIAL AND MANAGEMENT SCIENCES
DEPARTMENT OF BUSINESS ADMINISTRATION
RAIN SEMESTER EXAMINATION 2011/2012

INSTRUCTION: Attempt All Questions in Section A and 4 in Section B

TIME ALLOWED: 1 1/2 hours

COUSE CODE/TITLE: BUS 206/Small Business Management

SECTION: A Answer if the following statements are True or False

- (1) Money needed to kick-start a business is called promotional capital T
- (2) Rules that provide for the internal running of a company are contained in Memorandum of Association F
- (3) The totality of forces that are relevant to the organisation goal setting and attainment is business environment T
- (4) Business opportunities can be created from fantasies F
- (5) The employees of an organisation is one of its external environment T
- (6) A comprehensive Analysis embarked upon before starting a business to ascertain its profitability is feasibility report T
- (7) All partners in a partnership business usually enjoy limited liability F
- (8) Partner is to a partnership as shareholder is to a corporation T
- (9) Democracy is one of the Rochdale principles of co-operative T
- (10) Preferred stock have priority position over common stock T
- (11) Number of employees is not one of the criteria for classifying small business F
- (12) SMEDAN is itself as a one 'stop shop' for small and medium enterprises development in Nigeria F
- (13) The NDE trains only the youth for vocational skill acquisition F
- (14) A feasibility report serves as implementation guide to the project to which it relates T
- (15) Factors around the entrepreneur himself that inform business decision are called incubator factors T
- (16) Business opportunities are often informed by problems T
- (17) Most small businesses are labour intensive T
- (18) A cottage business according to International Labour Organisation has less than 5 employees F
- (19) Most large organisations depend on small business for their supplies F
- (20) In sole proprietorship business, ownership is separated from management F

SECTION B

1. Why do you think small business is important in any economy?

2. Identify and discuss the various sources of business ideas for a small business

3. (a) To a large extent, the choice of legal form of ownership of a business depends on certain criteria. What are the criteria.

(b) Differentiate between partnership and a corporation

4. Write short notes on any 3 of the following loans granted by a bank

(a) Line credit

(b) Term loan

(c) Inventory financing

(d) Uninsured loan

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5. Enumerate 10 peculiar problems facing small business development in Nigeria

ten major
problems