

BUS 206

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DEPARTMENT OF BUSINESS ADMINISTRATION  
FACULTY OF SOCIAL AND MANAGEMENT SCIENCES, AGO-IWOYE  
2010/2011 RAIN SEMESTER EXAMINATION

INSTRUCTION: Attempt All questions

TIME ALLOWED: 1<sup>1/2</sup> HOUR

COURSE CODE/TITLE: BUS 206 - Small Business Management

SECTION A

- (1) According to the CBN, the employment level of small business is less than 50. T
- (2) One of yardsticks for determining small business include (a) owner's equity (b) Total assets (c) sales turnover (d) all of the above
- (3) An ideal definition of small-scale business in Nigeria is one employing above 100. FF
- (4) The number of employee has been seen as the best yardstick because it is inflation proof. T
- (5) Most small business are price - takers. T
- (6) Business, opportunity can be thrown up by problems. T
- (7) The totality of forces that are relevant to organisation goal setting and attainment is Business environment. T
- (8) Withdrawal of subsidy on petrol pump price can negatively affect small business in Nigeria. T
- (9) Shareholders is not a component of internal business environment. F
- (10) The size, structure and geographical distribution of a country's population is referred to as Demography. T
- (11) A sole proprietor enjoins limited liability. F
- (12) Secret partners take active role in the management of businesses. F
- (13) Patronage rebate are given to all members of co-operative irrespective of purchases
- (14) Most small enterprises in Nigeria are capital intensive. T
- (15) The government intervention programme that require all commercial banks to set aside 10% of profit for equity investment in SME. SMIES
- (16) The NDE trains youth for entrepreneurship skills as well as vocational skills. T
- (17) Many SME, fail because of incompetence and poor management. T
- (18) Trade Credit is a method of financing small business. T
- (19) A feasibility report can help access venture capital
- (20) Incubator factor include genetic factor. FF

SECTION B

- 1(a) Explain in a brief form why it is difficult to define small business.
- (b) The fostering of vigorous industrial entrepreneurship in Nigeria requires action in two areas. Name them with a brief explanation.
- (c) List reason for small business failure in Nigeria.
- 2(a) List twenty (20) characteristics of SMEs in Nigeria
- (b) Write short note on NDE, SMIEIS, SMEDAN and BOI as related to small business development in Nigeria
- 3(a) In starting a business, the entrepreneur will have to face decision of deciding on the form of ownership to adopt. To a large extent, the choice of legal form of ownership depends on certain criteria. Mention these criteria.
- (b) List advantages of partnership over sole ownership
- (c) list Eight (8) Rochdale principles of co-operative societies.
- (d) What are the principal reasons for establishing public corporations?