

營商環境 答案 Business Environment Answers

1.	C	11.	C (66%)	21.	D (37%)	31.	A (76%)	41.	C (41%)	51.	C (63%)
2.	A	12.	D (62%)	22.	B (80%)	32.	C (42%)	42.	A (48%)	52.	A (72%)
3.	B	13.	A (89%)	23.	**	33.	C (54%)	43.	A (61%)	53.	D (66%)
4.	D	14.	D (67%)	24.	D(25%)	34.	A (82%)	44.	A (76%)	54.	D (75%)
5.	D	15.	C (85%)	25.	B (89%)	35.	B (61%)	45.	D (67%)	55.	
6.	D	16.	A (49%)	26.	B (39%)	36.	D (61%)	46.	A (48%)	56.	
7.	B	17.	A (83%)	27.	C (62%)	37.	C (82%)	47.	D (75%)	57.	
8.	C	18.	C (91%)	28.	B (51%)	38.	C (47%)	48.	A (55%)	58.	
9.	B (out-syl)	19.	A (71%)	29.	B (50%)	39.	A (93%)	49.	A (54%)	59.	
10.	D (78%)	20.	B (54%)	30.	C (41%)	40.	C (79%)	50.	C (63%)	60.	

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1. SP.MC.Q1

Which of the following are common arguments for social responsibility?

- (1) Profit maximization
 - (2) Lower product price
 - (3) Meet public expectation
 - (4) Improve company image
- A. (1) and (2) only
 - B. (2) and (3) only
 - C. (3) and (4) only
 - D. (1), (2), (3) and (4)

2. SP.MC.Q2

Which of the following statements are correct descriptions of the differences between bondholders and shareholders?

- (1) Shareholders have voting rights and bondholders do not.
 - (2) Shareholders are the owners of a company and bondholders are creditors.
 - (3) Shareholders are repaid prior to bondholders when the company is liquidated.
 - (4) Shareholders receive variable interest income whereas bondholders receive fixed amounts of interest at regular intervals.
- A. (1) and (2) only
 - B. (3) and (4) only
 - C. (1), (2) and (3) only
 - D. (1), (2) and (4) only

3. SP.MC.Q3

If you set up a business with your friend as a partnership, which of the following benefits would you enjoy?

- (1) You may bear limited liability.
 - (2) The company would exist as a separate legal entity.
 - (3) Management expertise offered by a board of directors.
 - (4) Company information needs not be disclosed to the public.
- A. (1) and (2) only
 - B. (1) and (4) only
 - C. (2) and (3) only
 - D. (3) and (4) only



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4. SP.MC.Q6

Which of the following are the common arguments for globalization?

- (1) It promotes free trade
 - (2) It facilitates specialization
 - (3) It fulfils world responsibility and solves poverty problems
 - (4) It enables people to enjoy a wider variety of goods and services
- A. (1) and (2) only
 - B. (3) and (4) only
 - C. (1), (2) and (3) only
 - D. (1), (2) and (4) only

5. SP.MC.Q9

Which of the following non-financial factors would also be relevant to the acquisition decision?

- (1) Political stability
 - (2) Market size and potential
 - (3) Cultural difference of target customers
 - (4) Communication and transportation infrastructure
- A. (1) and (4) only
 - B. (2) and (3) only
 - C. (2), (3) and (4) only
 - D. (1), (2), (3) and (4)

6. PP.MC.Q1

Mike wants to set up a yoghurt shop in Mongkok. Which of the following factors is he considering if he conducts a survey on the tastes and preferences of his target customers?

- A. technological factors
- B. physical factors
- C. economic factors
- D. social and cultural factors

7. PP.MC.Q14

Ms Cheung is working in a long-established grocery store. She plans to resign to establish her own grocery store.

Mr Sze, aged 62, is the employer of Ms Cheung. He wants to retire and invites Ms Cheung to take over his store.

Compared with establishing a new store, which of the following is the benefit to Ms Cheung of taking over Mr Sze's store?

- A. enjoy economies of scale
- B. acquire existing customer source
- C. lower operational costs
- D. lower initial investment

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8. PP.MC.Q20

Which of the following descriptions of business ownership is correct?

- A. A limited company distributes dividends to ordinary shareholders before preference shareholders.
- B. A franchise is formed by two or more business entities to develop, produce or sell products.
- C. A sole proprietorship does not have a separate legal entity status.
- D. Public enterprises are wholly owned by large multinational corporations to provide essential goods and services to the public.

9. PP.MC.Q23 [Out of syllabus]

10. 2012.MC.Q10

Which of the following are the impacts of globalization on the business sector?

- (1) Increased international trade
 - (2) Reduced production cost of goods
 - (3) Intensified global competition
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)

11. 2012.MC.Q11

Which of the following is not a purpose of the Closer Economic Partnership Arrangement (CEPA)?

- A. Reduce barriers on the trade of goods between Hong Kong and the Mainland
- B. Promote free trade in services between Hong Kong and the Mainland
- C. Ensure free flow of information between Hong Kong and the Mainland
- D. Facilitate cross-border business investment between Hong Kong and the Mainland

12. 2012.MC.Q12

Which of the following statements is correct?

- A. All partners in a limited partnership enjoy limited liability.
- B. All shareholders of a limited company have voting rights in the board of directors' meeting.
- C. A limited company needs to disclose its financial statements to the public.
- D. A public corporation is owned by the government.

13. 2013.MC.Q1

Which of the following descriptions about a franchised shop is correct?

- A. Operates under the authorization of franchisor
- B. Has full control over its promotion strategies
- C. Must be registered as a limited company
- D. Only applicable to retail and catering businesses

14. 2013.MC.Q12

Which of the following is not a function of World Trade Organisation?

- A. Provide a forum for negotiation aimed at reducing obstacles to international trade.
- B. Settle disputes among its members regarding the interpretation of trade agreements
- C. Monitor and review the trade policies of its members
- D. Provide loans and subsidies to developing countries for trade development

15. 2013.MC.Q16

Which of the following would encourage a multi-national trading company to move its headquarters to Hong Kong?

- (1) Larger number of multi-national companies than small and medium enterprises in Hong Kong
- (2) Good transportation network between Hong Kong and other Asian cities

(3) Lower profit tax rate in Hong Kong

- A. (1) and (2) only
- B. (1) and (3) only
- C. (2) and (3) only
- D. (1), (2) and (3)

16. 2013.MC.Q22

Which of the following statements are correct?

- (1) Hong Kong is an offshore Renminbi Business Centre of Mainland China
- (2) The main origin and destination of Hong Kong's re-exports of goods are Mainland China
- (3) The Closer Economic Partnership Arrangement (CEPA) aims at raising capital in Hong Kong for Mainland enterprises.

- A. (1) and (2) only
- B. (1) and (3) only
- C. (2) and (3) only
- D. (1), (2) and (3)

17. 2014.MC.Q1

Which of the following statements about limited companies in Hong Kong is/are correct?

- (1) A limited company is a separate legal entity.
 - (2) Limited companies enjoy a lower profit tax rate than sole proprietorships.
 - (3) Limited companies are required to publish their financial statements in a newspaper.
- A. (1) only
 - B. (2) only
 - C. (1) and (3) only
 - D. (1), (2) and (3)

18. 2014.MC.Q3

Which of the following are benefits of being a socially responsible business?

- (1) Lower production costs
 - (2) Better business reputation
 - (3) Attraction of customers who are also concerned about social responsibility
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)

19. 2014.MC.Q15

Which of the following is/are example(s) of economic factors that might affect the business of a jewellery shop in Hong Kong?

- (1) There is an increase in the income and consumption power of mainland tourists.
 - (2) The mainland government allows residents of more cities to come to Hong Kong for individual visits.
 - (3) The cross-border transport facilities are improved.
- A. (1) only
 - B. (2) only
 - C. (1) and (3) only
 - D. (1), (2) and (3)

20. 2014.MC.Q30

Which of the following statements about Asia-Pacific Economic Cooperation is correct?

- A. It provides loans to developing countries in the Asia-Pacific region.
- B. It supports sustainable economic growth in the Asia-Pacific region.
- C. It settles trade disputes among countries in the Asia-Pacific region.
- D. It issues certificates of origin for products manufactured in the Asia-Pacific region.



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21. 2015.MC.Q1

A limited partner _____.

- A. is a nominal partner
- B. is not liable for the debts of a partnership
- C. does not need to invest money into a partnership
- D. does not take part in the management of a partnership

22. 2015.MC.Q2

Which of the following statements about stakeholders of a company is correct?

- A. Competitors are not stakeholders of a company.
- B. Stakeholders of a company would be affected by the decisions made by the company.
- C. All stakeholders can share the assets of the company upon its liquidation.
- D. A client becomes a company's stakeholder only after he/she has settled his/her outstanding debts to the company.

23. 2015.MC.Q3 [Deleted]

24. 2015.MC.Q22

Which of the following statements regarding the World Trade Organization (WTO) are correct?

- (1) WTO settles trade disputes among members.
 - (2) Decisions made by WTO are binding on all members.
 - (3) WTO helps developing countries develop the infrastructure needed to expand their trade.
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)

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25. 2015.MC.Q26

Which of the following are the impacts of globalisation on business?

- (1) reduce information cost
 - (2) reduce competition among businesses
 - (3) facilitate transfer of technology between different countries
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)

26. 2015.MC.Q27

Which of the following is/are the characteristic(s) of a public corporation?

- (1) Its losses are borne by taxpayers.
 - (2) It is operated on a commercial basis.
 - (3) The government is involved in its daily operations.
- A. (1) only
 - B. (2) only
 - C. (1) and (3) only
 - D. (2) and (3) only

27. 2016.MC.Q6

Which of the following descriptions of joint ventures in Hong Kong is correct?

- A. Partners of a joint venture usually share the profits of the joint venture equally.
- B. A joint venture must be formed by one local company and one foreign company.
- C. A joint venture is an entity independent from all its partners.
- D. A joint venture enjoys a lower profits tax rate than a general partnership.

28. 2016.MC.Q15

Which of the following companies is/are socially responsible?

- (1) A power company which develops new technology to help reduce gas emissions.
 - (2) A printing company which accepts many orders from social welfare organisations.
 - (3) A trading company which encourages employees to participate in voluntary work to serve the community.
- A. (1) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)

29. 2016.MC.Q16

Which of the following statements about business ownership are correct?

- (1) Public corporations are wholly owned by the Government.
 - (2) The minimum number of shareholders of a limited company is 2.
 - (3) A nominal partner is not the owner of the partnership.
- A. (1) and (2) only
B. (1) and (3) only
C. (2) and (3) only
D. (1), (2) and (3)

30. 2016.MC.Q17

Which of the following is a benefit brought about by the "Closer Economic Partnership Arrangement"(CEPA) for the businesses in Hong Kong?

- A. Companies owned by Hong Kong residents are not taxed on the Mainland.
 - B. There is free flow of capital between Hong Kong and the Mainland.
 - C. Tariffs are not levied on goods originating in Hong Kong exported to the Mainland.
- Hong Kong is allowed to enter the World Trade Organisation as an independent economy.

31. 2016.MC.Q28

A _____ is easier to set up and enjoy a relatively low tax rate in Hong Kong. All owners are liable for the business decisions of one another in this entity.

- A. partnership
- B. sole proprietorship
- C. private limited company
- D. public limited company

32. 2017.MC.Q1

Which of the following statements about Asia-Pacific Economic Cooperation is/are correct?

- (1) It settles trade disputes in the Asia-Pacific region.
- (2) It promotes sustainable economic growth in the Asia-Pacific region.
- (3) It encourages cooperation on trade and investment in the Asia-Pacific region through high-level government-to-government dialogues.

- A. (1) only
- B. (1) and (2) only
- C. (2) and (3) only
- D. (1), (2) and (3)

33. 2017.MC.Q6

Which of the following statements about the trade relationship between Hong Kong and the Mainland are correct?

- (1) Hong Kong is the largest trading partner of the Mainland.
 - (2) In terms of the value of goods, the Mainland is the largest re-export destination of Hong Kong.
 - (3) Many goods originating in Hong Kong exported to the Mainland are tariff-free.
- A. (1) and (2) only
B. (1) and (3) only
C. (2) and (3) only
D. (1), (2) and (3)

34. 2017.MC.Q11

Compared to a sole proprietorship, which of the following is/are the advantage(s) of a limited company?

- (1) the business will not be closed upon withdrawal or death of the owner(s)
- (2) the setup cost is lower
- (3) the profits tax rate is lower

- A. (1) only
- B. (1) and (2) only
- C. (1) and (3) only
- D. (2) and (3) only

35. 2017.MC.Q16

Which of the following is/are physical factor(s) that might affect business in Hong Kong?

- (1) Climatic condition
 - (2) Air quality
 - (3) Population structure
- A. (1) only
B. (1) and (2) only
C. (2) and (3) only
D. (1), (2) and (3)



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36. 2017.MC.Q18

From the point of view of a franchisor, which of the following is/are the shortcoming(s) of running a business in the form of franchising?

- (1) Franchisee may set up his own business to become a competitor.
- (2) It is difficult to wholly control the operation style of franchisee(s).
- (3) If a franchisee managers his business poorly, the reputation of the whole franchise business will be affected.

- A. (1) only
- B. (1) and (2) only
- C. (2) and (3) only
- D. (1), (2) and (3)

37. 2017.MC.Q30

Which of the following statements about a nominal partner is/are correct?

- (1) He is liable for the debts of the partnership.
 - (2) He takes part in the operation of the partnership.
 - (3) His reputation helps promote the partnership's business.
- A. (1) only
 - B. (2) only
 - C. (3) only
 - D. (2) and (3) only

38. 2018.MC.Q1

Which of the following statements about the Hong Kong economy is **not** correct?

- A. The Hong Kong Government does not control the inflows and outflows of capital.
- B. Hong Kong is a founding member of the World Trade Organization
- C. Most businesses in Hong Kong are multinational corporations.
- D. Under the Closer Economic Partnership Arrangement (CEPA), service suppliers in Hong Kong enjoy preferential treatment when setting up business in most service sectors on the Mainland

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39. 2018.MC.Q7

Ethical behaviour in business will _____.

- (1) enhance the public image of a business
- (2) increase the operating costs of a business in the long run
- (3) enable a business to be subject to a lower profit tax rate

- A. (1) only
- B. (1) and (3) only
- C. (2) and (3) only
- D. (1), (2) and (3)

40. 2018.MC.Q14

For a toy company, which of the following is **not** regarded as an example of fulfilling its social responsibility?

- A. using recycled materials to produce toys
- B. donating toys to orphanages
- C. offering 20% discount to customer during Christmas
- D. improving the working environment of its employees

41. 2018.MC.Q18

Which of the following statements about the Ocean Park corporation, a public corporation in Hong Kong, are correct?

- (1) It is listed on the Hong Kong Stock Exchange
 - (2) Its board of directors is appointed by the government
 - (3) It is self-sufficient financially.
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)

42. 2018.MC.Q24

Which of the following statements about a partnership is/are correct?

- (1) There is no limited partner in a general partnership.
- (2) Limited partnership is a legal entity separate from its owners.
- (3) All partners in a limited partnership only have limited liability.

- A. (1) only
- B. (1) and (3) only
- C. (2) and (3) only
- D. (1), (2) and (3)

43. 2018.MC.Q28

Compared to a public limited company, which of the following is/are the advantage(s) of a private limited company?

- (1) is subject to less government supervision
- (2) does not need to distribute dividends to shareholders
- (3) obtains financing more easily

- A. (1) only
- B. (2) only
- C. (3) only
- D. (1) and (2) only

44. 2019.MC.Q1

Which of the following is/are difference(s) between a sole proprietorship and a general partnership?

	<u>Sole proprietorship</u>	<u>General partnership</u>
(1) Decision-making process	shorter	longer
(2) Profits tax rate	lower	higher
(3) Liability borne	unlimited	limited

- A. (1) only
- B. (1) and (2) only
- C. (2) and (3) only
- D. (1), (2) and (3)

45. 2019.MC.Q5

Which of the following descriptions about the Hong Kong economy is/are correct?

- (1) A sales tax is imposed on the retailing of goods
- (2) Most of the working population are in the tertiary sector
- (3) The main destination of exported goods is the Mainland

- A. (1) only
- B. (2) only
- C. (1) and (3) only
- D. (2) and (3) only

46. 2019.MC.Q9

Which of the following statements about business ethics is/are correct?

- (1) Business actions that are legally acceptable may be unethical.
- (2) A 'code of ethics' is compiled by the government for businesses.
- (3) Business ethics are a set of clearly-defined moral principles and standards that a business should follow.

- A. (1) only
- B. (2) only
- C. (1) and (3) only
- D. (2) and (3) only

47. 2019.MC.Q11

Which of the following statements about joint venture is/are correct?

- (1) The business risk is shared by the joint venture partners.
- (2) The joint venture will normally be dissolved when the joint project is completed.
- (3) A joint venture is a new business entity formed by at least two businesses.

- A. (1) only
- B. (1) and (2) only
- C. (2) and (3) only
- D. (1), (2) and (3)



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48. 2019.MC.Q17

Which of the following is/are regarded as example(s) of a hotel fulfilling its social responsibilities?

- (1) allowing clerical staff to work from home when there are adverse weather conditions
- (2) paying the minimum wage to housekeepers
- (3) serving sharks fins if requested by customers

- A. (1) only
- B. (1) and (2) only
- C. (2) and (3) only
- D. (1), (2) and (3)

49. 2019.MC.Q22

Which of the following statements about the World Trade Organization are correct?

- (1) It settles trade disputes among members.
- (2) It provides forums for trade negotiations among members.
- (3) It provides financial assistance to developing countries for trade development.

- A. (1) and (2) only
- B. (1) and (3) only
- C. (2) and (3) only
- D. (1), (2) and (3)

50. 2020.MC.Q1

Ken and Tracy plan to establish and operate a restaurant together, in which the withdrawal of either side would not lead to its closure. Which form of business ownership should they adopt?

- A. partnership
- B. public corporation
- C. private limited company
- D. listed company

BAFS Core Part Business Environment Past Papers (Sample Paper - 2020)

51. 2020.MC.Q10

Which of the following is/are features of Hong Kong's economy?

- (1) Most business in Hong Kong are small and medium enterprises.
 - (2) Hong Kong is a net exporter of raw materials.
 - (3) Hong Kong does not maintain trade barriers on imports.
- A. (1) only
B. (2) only
C. (1) and (3) only
D. (2) and (3) only

52. 2020.MC.Q16

The following are the differences in characteristics of two partners in a partnership.

	<u>Partner A</u>	<u>Partner B</u>
bearing of liabilities	not required	required
introduction of capital	not required	required
involvement in daily operations	not required	not required

Partner A is a _____ (1) _____ partner, while Partner B is a _____ (2) _____ partner.

- | | (1) | (2) |
|----|---------|---------|
| A. | nominal | limited |
| B. | nominal | general |
| C. | general | limited |
| D. | limited | nominal |

53. 2020.MC.Q22

Which of the following companies does not fulfill its social responsibility towards its stakeholders?

- A. A company adopts a strict credit policy for its customers.
- B. A company does not distribute dividend to ordinary shareholders.
- C. A company charges a higher price than its competitors selling the same type of product.
- D. A company does not provide training and development opportunities for its employees.

54. 2020.MC.Q24

Which of the following are the benefits brought about by the globalisation to Hong Kong businesses?

- (1) More sources of capital
- (2) Introduction of new technology
- (3) Lower production cost

- A. (1) and (2) only
- B. (1) and (3) only
- C. (2) and (3) only
- D. (1), (2) and (3)

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