

MAY/JUNE 2004

3

- 1 Which one of the following statements about marketing research methodology is wrong?
- ① Investigation of existing secondary sources of information is known as the survey method *known as desk research Pg 288*
- 2 ✓ One of the methods usually used for obtaining market data is the survey method *Pg 287*
- 3 ✓ The personal method of questioning is usually the most time-consuming and expensive method *Pg 287*
- 4 ✓ Secondary sources of information include internal reports, marketing literature or articles in trade journals *Pg 288*
- 2 Which of the following types of sales forecasting are used in practice?
- a ✓ Estimates made by a panel of experts
- b ✓ Estimates based on consumers' reactions in test marketing situations
- c ✓ Estimates based on the results of the previous year
- d ✓ Estimates based on a combination of sales forecasting methods
- 1 a b c *Pg 291*
- ② a b c d
- 3 a b d
- 4 c d
- 5 b c d
- 3 Which of the following are individual factors in the decision-making process?
- Motivation*
- a Reference group *Pg 292 / Pg 293-4*
- b ✓ Attitude
- c ✓ Perception
- d ✓ Learning ability
- Personality traits*
- 1 a b
- 2 a b d
- 3 c d
- ④ b c d
- 5 a b c d

4 The process of decision-making progresses systematically through different phases. Place these phases in the correct sequence.

- a ✓ Becoming aware of an unsatisfied need
- b ✓ Evaluating possible solutions
- c ✓ Seeking information on how to solve the problem
- d ✓ Deciding on a course of action
- e ✓ Doing post-purchase evaluation

- Pg 292*
- ① a c b d e
 - 2 a d c b e
 - 3 a d b c e
 - 4 b a c d e

5 Which one of the following is not a requirement for meaningful market segmentation?

- ① It should be possible to subdivide the total consumer market into heterogeneous groups
- 2 ✓ The segments should be big enough to make profitable exploitation possible
- 3 ✓ It should be possible for marketing management to service its chosen segment
- 4 ✓ It should be possible to compare segments with one another

6 Which of the following statements on target market selection are correct?

- a ✓ The objectives and resources of the business have to be carefully considered before a target market can be selected
- b ✓ A market offering is developed for each target market chosen
- c ✓ Target market selection can reach numerous individual target markets
- d ✓ A business does not own target markets

- Pg 305*
- 1 a b
 - 2 a d
 - 3 a c d
 - ④ a b c d
 - 5 b c d

7 Which of the following statements on product offering, range and line are correct?

- a A product offering consists of various product items
- b ✓ A product range consists of various product lines
- c A product line consists of various product ranges

- Pg 309*
- ① b
 - 2 a c
 - ③ a b c
 - 4 b c

[TURN OVER

- 8 The type of marketing message, price and choice of distribution outlet, give symbolic value to a product. This description refers to
- Pg 201
- ① the product image
 - 2 the total product → comprises all the other components
 - 3 the core product → described in terms of technical & physical qualities
 - 4 the formal product → special features such as style, quality, brand & packaging
- 9 Which of the following actions would a consumer perform when buying speciality products?
- a ✓ Insisting on a specific brand
 - b Making the minimum of effort during the buying process
 - c Collecting a good deal of product information before buying
 - d Does not need to "shop around" to compare similar products
- Pg 310
- 1 b c
 - ② a d
 - 3 a b d
 - 4 a c d
- 10 Which one of the following statements on packaging is wrong?
- ① Family packaging is not related to family brands Pg 245
 - 2 Speciality packaging gives an image of exclusivity to a product
 - 3 In family packaging, all the products in the range are more or less identically packed
 - 4 Re-usable packaging leads to repeat purchases because consumers want the containers
- 11 A very small profit is made on products.
- Pg 322
- ① leader price
 - 2 skimming price →
 - 3 bait price → unethical - low prices & widely advertised.
 - 4 market price level → similar products have to compete against one another
- 12 Which one of the following statements on marketing communication is correct?
- 1 Sponsoring a big sports event is considered to be advertising
 - 2 Billboards and posters are two popular methods of magazine advertising
 - ③ Sales promotions like diaries, calendars and T-shirts, are usually aimed at complementing other marketing communication efforts
 - 4 Marketing communication is aimed solely at persuading customers to purchase the product and reminding

Pg 332

13 Which of the following statements on the marketing concept are correct?

- a ✓ The first principle of the marketing concept is the maximisation of profitability
- b ✓ Maximisation of profits is the primary goal of marketing management
- c ✓ The primary goal of marketing management is the maximisation of sales
- d ✓ Sales do not necessarily maximise profits

- Pg 386*
- 1 a b c
 - 2 a d
 - 3 b c
 - 4 c d

14 The principle of consumer orientation entails, among other things, that the enterprise ...

- a must provide the consumer with correct and sufficient information
- b must always try to satisfy all of the consumer's needs
- c should satisfy the consumer only within the limits of the profit objective
- d should contribute to the welfare of the community in which the consumers live

- Pg 386*
- ~~1~~ a b c
 - 2 c d
 - 3 b c d
 - ④ a c

15 Which of the following statements are correct concerning the product's life cycle?

- a ✓ The sales curve ascends during the introductory phase
- b ✓ The profit curve rises later in the product development phase owing to the high cost of new product development
- c ✓ Costs must first be recovered before a profit can be made
- d In the maturity phase, the sales curve declines sooner than the profit curve owing to competition

- Profit curve declines sooner than the sales curve*
- 1 a b
 - 2 c d
 - ~~3~~ a b c
 - 4 a b c d
- Pg 240-41*

16 Which of the following statements concerning the integrated marketing strategy in the declining phase are correct?

- a The objective should be to counteract competition *maintain the market share or win it back*
- b ~~✓~~ The target market should consist of conservative consumers who resist innovation *the market*
- c Product decisions require modification of the existing product *No Modification*
- d The product price should be reduced and the product offered on sales

Pg 314

- 1 a c
- 2 b d
- 3 a b c
- 4 a b c d
- 5 c d

17 Which of the following statements about marketing warfare are correct?

- a In the struggle against competitors, marketing management uses the four marketing instruments as weapons
- b Marketing is not a civilized form of warfare *is*
- c Marketing warfare intensifies as the product proves successful in the market
- d A competitor's entry to the market can be rendered difficult by patenting a successful product

- 1 a c
- 2 b d
- 3 a c d
- 4 b c d
- 5 a b c d

18 Which of the following statements are correct?

In functional marketing planning

- a a detailed marketing plan must be developed for the enterprise as a whole *every unit or product*
- b the first part of the marketing plan does ~~not~~ form part of the planning process
- c the marketing plan involves determining the existence of opportunities and threats
- d the marketing department can contribute to profits by attempting to reduce marketing costs

- 1 c d
- 2 a b d
- 3 b c
- 4 a b c

- 19 Which of the following are tasks of the public relations department?
- a To create a positive image for the public
 - b To create a positive image for own employees
 - c To communicate with suppliers to clear up misunderstandings
 - d To communicate with the public to change negative perceptions
- ① a b c d
2 a b d
3 c d
4 b c d
5 a b
- 20 Which of the following statements on public relations are correct?
- a ✓ No functional restrictions apply to the public relations function
 - b ✓ Public relations interacts with the total internal and external environments
 - c ✓ Through public relations a business should try to promote understanding of actions
 - d Public relations maximises profits in the short term
- ① a b c
2 c d
3 a b
4 a b c d
- 21 Which one of the following is not a phase in the development of the public relations function?
- 1 The manipulation phase
 - 2 The information phase
 - 3 The mutual influencing phase
 - ④ The advertising phase

22 Which of the following are public relations objectives?

- a ✓ Promoting a positive image of the business
- b ✓ Bringing about mutual esteem and understanding between the business and external groups
- c ✓ To ensure the goodwill of external groups being obtained and preserved
- d ✓ To prevent the image of the business from being harmed

- ① a b c d
- 2 a d
- 3 a c d
- 4 b c d
- 5 a b

Pg 364

23 The decision to give coverage of a news release in a newspaper depends on the

- 1 head of public relations
- ② newspaper editor
- 3 executive manager
- 4 reporter

its

24 In compiling a code of conduct, which of the following points pertaining to ethical conduct should be considered?

- a ✓ The general social norms and values of the community in which the organisation operates should provide the basis of the code of conduct
- b ✓ Management should ensure that employees adhere to the code of conduct at all times
- c Employers should be held accountable for the behaviour of the employees
- d ✓ Vague generalisations about ethical conduct are meaningless

ns

- 1 a b
- ② a b d
- 3 a c d
- 4 b c d
- 5 a b c d

Pg 368

25 The mutual interdependence between the possessions in the balance sheet is known as

- 1 debit side
- 2 balance sheet
- 3 income statement
- ④ asset side
- 5 asset structure

Pg 375

- 26 Which one of the following options from the income statement correctly completes the following statement?

Net income (sales) less is gross profit.

- 1 returns and cash discount
- 2 reserves
- 3 operating costs
- 4 interest
- ⑤ cost of goods sold

- 27 Which of the following options are correct?

Owners' equity consists of

- a shareholders' interest
- b ordinary share capital
- c reserves
- d undistributed profits

- ① b c d
- 2 a b c
- 3 a b c d
- 4 a b
- 5 c d

the 28 Calculate the total present value of the following cash flow amounts received at the end of each year. The interest rate is 10%.

Year	Cash flow
1	R3 000
2	R2 000
3	R5 000

Periods (n)	Future value factors		
	5%	10%	15%
1	1,0500	1,1000	1,1500
2	1,1025	1,2100	1,3225
3	1,1576	1,3310	1,5209
4	1,2155	1,4641	1,7490
5	1,2763	1,6105	2,0114

Periods (n)	Discounting factors		
	5%	10%	15%
1	0,9524	0,9091	0,8696
2	0,9070	0,8264	0,7561
3	0,8638	0,7513	0,6575
4	0,8227	0,6830	0,5718
5	0,7835	0,6209	0,4972

- 1 R6 821
- 2 R7 409
- 3 R7 513
- 4 R8 990
- 5 R8 137

29 Which of the following statements on cost are correct?

- a ✓ Fixed costs are that portion of total costs that remain unchanged within the boundaries of a fixed production capacity regardless of an increase or decrease in production
- b ✓ Variable costs are that portion of the total costs that change according to a change in the volume produced
- c ✓ Variable costs per unit produced remain more or less constant irrespective of the quantity produced
- d The total costs involved in the production of a specific number of products produced in a particular period consist of the total fixed costs and the variable costs per unit incurred in the production of those products

pg 378 total variable cost

- 1 b c d
- 2 a d
- 3 a c
- 4 a b c
- 5 a b c d

- 30 Which of the following statements on the time value of money are correct?
- a The higher the discount rate, the higher the present value of a given future amount will be
- b The discounting factor for a certain period and a given interest rate is $(1 + i)^n$ *Future value*
- c The greater the risk, the greater should be the interest rate in both the compounding and discounting factors should be
- d The time value of money is directly related to the opportunity rate of return
- e The greater the risk, the greater the need will be to receive incoming funds as quickly as possible
- 1 a c
- 2 b d
- 3 c d e
- 4 a d e
- 5 b c d

- 31 Identify the four C's of credit.

- a Character *Pg 427*
- b Capacity
- c Capital
- d Climate
- e Cost

- 1 a b c e
- 2 a b c d
- 3 a b d e
- 4 a c d e
- 5 b c d e

- 32 Which of the following statements on the net present value method (NPV) are correct?

- a Reject all independent projects with a positive NPV
- b Reject all independent projects with a negative NPV
- c Projects with NPV = 0 make no contribution to value and are usually rejected

- 1 a b c
- 2 a b
- 3 a c
- 4 b c
- 5 c

33 Which of the following statements on the profit objective when managing stock are correct?

The profit objective is to

- Profit objective
a ✓ keep the lowest possible supply of stock
b ✓ keep the stock turnover as high as possible
c ✓ keep as much stock as possible to ensure that the business is never without stock
d ✓ ensure that production interruptions never occur

- ① a b
2 a c
3 a b c
4 a b d
5 c d

34 Which of the following are uses of cash in a business?

- a An increase in assets
b Dividend payments to shareholders
c A decrease in liabilities
d Investment income

- 1 b c
2 a b d
3 c d
④ a b c
5 a b c d

35 A project is expected to yield the following cash inflows and outflows:

Year	Inflows	Outflows
1	R7 500	R6 000
2	R5 700	R4 200
3	R5 100	R3 900

The initial cost of the project is R3 600
The current cost of capital is 10%

Which of the following calculations/statements of this project are correct? (Calculate to nearest R1.)

- a The total net cash inflow is R4 200
- b The NPV is R600
- c The total present value of the project is R3 506
- d The project must be rejected if the cost of capital is 10%

- 1 a c d
- 2 a d
- 3 b
- 4 b c d

- 36 A choice must be made between two projects, A and B. The following information is provided on each project:

	Year	Project A	Project B
(i) Initial investment		R22 000	R18 000
(ii) Annual net cash inflows:	1	R10 000	R3 000
	2	R8 000	R4 000
	3	R6 000	R6 000
	4	R4 000	R8 000
	5	R3 000	R10 000
			R31 000
(iii) The current cost of capital is 10%			

the Which of the following conclusions about projects A and B are wrong? (Calculate to the nearest R1.)

- a Project A is better than project B because project A has bigger cash inflows early in its life
- b Project A is better than project B because its total present value is greater than project B's
- c A choice cannot be made between projects A and B because they both have the same total net cash inflow of R31 000
- d Project B is better than project A because project B has the greater NPV
- e Project A has the smaller NPV and should be rejected

n is

- 1 a c
- 2 b c d
- 3 c d e
- 4 a b c e
- 5 a b c d e

37 The is the market in which financial instruments of a short-term maturity are traded.

- 1 primary market → New issues of financial claims (Securities)
- 2 secondary market → where trading of securities take place
- ③ money market
- 4 capital market → where funds required for a long-term investment are raised and traded by investors

38 Which of the following statements on short-term financing decisions are correct?

- a In the matching approach temporary current assets are financed with long-term funds → Matching the period for which finance is obtained with the expected life of the asset
- b ✓ In the aggressive approach permanent current assets are partially financed with short-term funds
- c ✓ In the aggressive approach the business decides to use more short-term financing than is needed in the matching approach
- d ✓ In the conservative approach a portion of the temporary current assets requirement is financed with long-term funds

- ① b c d
- 2 a b c
- 3 b d
- 4 a c
- 5 a b c d

39 As a source of short-term funds, which of the following advantages does trade credit provide? Pg 457

- a ✓ It is readily available
- b ✓ It is informal
- c It is less ^{more} flexible than other forms of short-term financing
- d It does not require security

- 1 a b c d
- 2 a b c
- 3 b d
- 4 c d
- ⑤ a b d

40 Which of the following are characteristics of ordinary shares?

- e) share capital is available to the business for an unlimited period
- a ✓ The liability of the ordinary shareholder is limited to the amount of capital which shareholder contributed to the business
- b ✓ The shareholder has no certainty that the money paid for the shares will be refunded
- c ✓ Ordinary shares in a listed company are tradeable on the stock exchange
- d ✓ A business has no legal obligation to reward ordinary shareholders in the form of dividends Pg 462-3

- 1 c d
- 2 a b c
- 3 a b d
- 4 a c
- ⑤ a b c d

41 Which of the following statements on business loans are correct? Pg 466

low advantages (ad)
low disadvantages (dc)

- a Interest payments are deductible for tax purposes
- b The fixed interest obligations increase the risk inherent in the business to its owners
- c The priority claims of loans in the case of liquidation increase the risk inherent in the business to its owners
- d Loans do not dilute the earnings of ordinary shares

- 1 b d
- 2 a b c
- 3 a b c d
- 4 c d
- 5 b c

advantages

edit 42 You are given the following information on the cost of capital of ABC Co Ltd:

Owners' equity	20%	R1 400 000
Preference share capital	10%	R 300 000
Long-term debt (after tax)	9%	R 500 000

Use the information to calculate the company's weighted average cost of capital.

- 1 18,50%
- 2 16,13%
- 3 20,08%
- 4 23,20%

43 Operations management in the business is important for which of the following reasons?

- a It can improve productivity
- the b It can help the business to satisfy the needs of its clients more effectively
- ded c It can be decisive for the general reputation of the business
- d It will ensure financial success for the business

- n of 1 a b c
- 2 a b d
- 3 c d
- 4 b c
- 5 a b c d

44 Which three of the following resources are transformed into outputs in the transformation process?

- a Material
- ners b Customers
- the c Personnel
- d Information

- 1 a b c
- 2 a b d
- 3 a c d
- 4 b c d

45 Match the operations management guideline in Column A with the corresponding result in Column B.

Pg 484

Column A
(Operations management guideline)

Column B
(Positive result)

- | | | | |
|---|--------------------------------|-------|----------------------|
| a | Do things right the first time | (i) | Lower variability |
| b | Do things cost effectively | (ii) | Higher quality |
| c | Do things fast | (iii) | Lower cost |
| d | Change things quickly | (iv) | Shorter lead time |
| e | Do things right every time | (v) | Greater adaptability |

- | | | | | | |
|---|-----------|-----------|-----------|----------|-----------|
| 1 | a - (ii) | b - (iii) | c - (iv) | d - (v) | e - (i) |
| 2 | a - (i) | b - (ii) | c - (iii) | d - (iv) | e - (v) |
| 3 | a - (iii) | b - (ii) | c - (i) | d - (iv) | e - (v) |
| 4 | a - (iv) | b - (i) | c - (ii) | d - (v) | e - (iii) |
| 5 | a - (v) | b - (iv) | c - (iii) | d - (ii) | e - (i) |

46 Which of the following statements are correct concerning the classification of operations processes in manufacturing businesses?

- a Project systems represent operations processes which are highly individual *scope and normally limited on a large scale*
- b Jobbing systems normally represent operations processes conducted on a small scale with low volume output
- c Continuous or repetitive systems represent operations systems in which the volume is high *output*
- d Job-lot systems are a combination of a repetitive system and a jobbing system
- e Multi-unit project systems are the combination of a repetitive and project system *Pg 492*

- 1 a b
- 2 a b c d
- 3 a c
- 4 b c d
- 5 a d

47 Which of the following characteristics are correct with regard to the service provided by a hairdressing salon?

- a High client contact *output not kept in stock*
- b Short response time *intangible and perishable*
- c Labour intensive *Quality difficult to measure*
- d Small service provision facility
- e Mainly local markets

- 1 a b c d
- 2 a b d
- 3 c d
- 4 b d
- 5 a b c

- characteristics of products*
- a) Physically tangible and perishable
 - b) Output kept in stock
 - c) low customer contact
 - d) Manufactured by use
 - e) long response time
 - f) low international markets
 - g) large production facilities
 - h) Capital intensive
 - i) Quality easily measurable

48 Which one of the following characteristics is wrong concerning products that are manufactured as against services provided? *Pg 404*

- a Physically tangible
- b Low client contact
- c Long response time
- d Capital intensive

- 1 a
- 2 b
- 3 c
- 4 d
- ⑤ none

49 Arrange the steps in the designing of products and services in the correct order.

- a Sifting process *2*
- b Evaluation and improvement *4*
- c Preliminary design *3*
- d Idea/concept generation *1*
- e Prototype design *5*

- 1 a c b e d
- ② d a c b e
- 3 c b a e d
- 4 b e d a c
- 5 e b a d c

50 Which of the following statements concerning the basic layout types in the design of operations processes are correct?

- a The fixed position layout is used where the product cannot be shifted because of its size, shape or location
- b The process layout is used where similar operations are grouped together in sections
- c The product layout is used where the different operations are arranged in consecutive order
- d The cellular layout is used where certain processes are placed in a cell and the particular cell then arranged according to either a process or a product layout

- 1 a d
- 2 b c
- ③ a b c d
- 4 a c d
- 5 a b d

- 51 determines how long it will take a trained worker to perform a specific task at a level of performance. Pg 207
- 1 Method study
 - 2 Work study
 - ③ Work measurement
- 52 Which of the following statements on total quality management (TQM) are correct? not
- a The responsibility for quality is confined only to the operations management function
 - b ✓ Quality is one of the main elements for adding value to products/services
 - c ✓ Quality is one of the main elements in obtaining a long-term competitive advantage over competitors
 - d ✓ Better quality influences income and cost
- 1 a b
 - 2 a b c
 - 3 b d
 - ④ b c d
- 53 Which performance standards are generally used to measure operational improvement? Pg 56
- a Historical standards
 - b Target performance standards
 - c The performance standards of competitors
 - d Absolute performance standards
 - e The performance of suppliers
- 1 a c e
 - 2 a b d e
 - ③ a b c d
 - 4 b d e
 - 5 a b c d e
- 54 Which of the following failures are typical failures occurring in operations processes? Pg 17
- a Facility failures
 - b Design failures
 - c Staff failures
 - d Customer/client failures
 - e) ~~Supplier failures~~
- 1 a b
 - ② a b c d
 - 3 b c d
 - 4 a d

fixed 55 Which one of the following is not a purchasing management function?

Pg 323

- 1 Supplier selection
- 2 Materials handling
- 3 Delivery
- 4 Quality

56 Which one of the following levels is not part of purchasing planning?

pg 330-31

- 1 Strategic level
- 2 Marketing level
- 3 Tactical level
- 4 Operations level

action
stage

57 Which of the following are typical purchasing activities?

- a Purchasing and negotiation
 - b Follow-up and expediting
 - c Administration
 - d Purchasing research
 - e) *Inventory holding*
 - f) *Maintaining long-term relationships with suppliers*
- 1 a b
 - 2 a b d
 - 3 a b c d
 - 4 b c
 - 5 c d

int?

58 Which of the following factors will determine the status of the purchasing function?

- a The situation in the supplier market
 - b The size of the business
 - c The nature of the material or products purchased
 - d The perception of top management
- 1 a b c
 - 2 a b d
 - 3 a b c d
 - 4 b d
 - 5 c d

Pg 326

59 Which of the following are criteria for gauging the effectiveness of the executive purchasing activities?

- h) Relationship performance Pg 642
 - i) Relationship with other functional management areas
 - a Price proficiency
 - b Supplier satisfaction officer performance
 - c Timeliness
 - d Cost saving
 - e Purchasing costs
 - f) Work load
 - g) Inventory holding
- 1 a c d e
 2 b c d
 3 a b
 4 a b c d e

60 Which of the following are subpolicies of the purchasing policy? Pg 643

- a Policy in respect of ethical purchasing practices
 - b Policy in respect of internal purchasing matters
 - c Production policy
 - d Supplier policy
- 1 a b c
 2 b c d
 3 b d
 4 a b d

61 Identify the three main factors in each purchasing decision.

- a The quality of the item
 - b The supplier service provided
 - c The price of the item
 - d The specifications of the item
- 1 a c d
 2 a b d
 3 a b c
 4 b c d

62 Which inventory control system would a grocery store normally use? Pg 647

- 1 System of fixed order quantities
- 2 Cyclical ordering system
- 3 Materials requirements planning system

1 of 63

The steps in the purchasing cycle can be divided into certain main categories. Identify these categories. ³
Pg 63

- a The notification phase
- b The order phase
- c The postorder phase
- d The paying phase *not included*

- ① a b c
- 2 a b d
- 3 c d
- 4 a b c d

64 Match the steps in the purchasing cycle in column A with the appropriate document (column B) required for the step. ³
Pg 54

Column A
(Steps)

Column B
(Documents)

- | | |
|---|-----------------------|
| (a) Development and description of need | (i) Cheque |
| (b) Issuing the order | (ii) Requisition |
| (c) Paying for the order | (iii) Specifications |
| (d) Closing the order | (iv) Proof of receipt |

- | | | | | |
|---|-----------|-----------|-----------|-----------|
| 1 | a - (i) | b - (ii) | c - (iii) | d - (iv) |
| 2 | a - (iv) | b - (i) | c - (ii) | d - (iii) |
| 3 | a - (iii) | b - (ii) | c - (i) | d - (iv) |
| ④ | a - (ii) | b - (iii) | c - (iv) | d - (i) |

65 Which of the following statements on determining quality as a purchasing activity are correct?

- a Specification may be used in the description of quality
- b Quality does not influence inventory holding
- c Inspection is the task of the purchasing department
- d Standardisation of products and their quality increase competition in the market

- Other forms*
- 1 a b c
 - ② a d
 - 3 b c d
 - 4 a b c d

66 Which of the following are the main policies that affect the scheduling of purchases?

- a Purchasing according to needs
 b Advance purchasing
 c Speculative purchasing
 d Minimum purchases
 e Unscheduled purchases

Pg 665

- 1 a b c d e
 ② a b c d
 3 a b c
 4 b c d e
 5 b d e

67 In which of the following basic ways may productivity improvement be achieved?

- a A greater output may be achieved through a greater input
 b A greater output may be achieved through an equivalent input
 c The same output may be achieved through a smaller input
 d A greater output may be achieved through more inputs, but the marginal increase in output will be greater than the marginal increase in input

increase in

Pg 675

- 1 a b
 2 b d
 ③ b c d
 4 a c d
 5 a b c d

68 Which one of the following statements is a misconception of productivity improvement?

Pg 576

Productivity improvement

- 1 is a lengthy, ongoing process
 ② is equated with harder work or longer working hours
 3 benefits both employers and employees
 4 will lead to an increase in the number of job opportunities

69 Which one of the following statements regarding economic growth is wrong?

- 1 The higher the level of employment, the higher will economic growth be
 2 Economic growth will cause unemployment to decline
 ③ Economic growth does not depend on curbing the population growth rate
 4 Economic growth will cause higher living standards

70 Which one of the following actions should the government avoid in attempting to influence productivity improvement positively?

- 1 The creation of training facilities
- 2 General increase of tax rates to provide the required funds
- 3 Productivity improvement which supports wage and salary increases
- 4 Making training subsidies available

Pg 020

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