



# ICM

DECEMBER 2016

THE STRUCTURE OF BUSINESS

**Instructions to candidates:**

- a) Time allowed: Three hours (plus an extra ten minutes' reading time at the start – do not write anything during this time)
- b) Answer any FOUR questions
- c) All questions carry equal marks. Marks for each question are shown in [ ]
1. Explain the principal purposes of the following business documents:
- a) A bank statement
  - b) A delivery note
  - c) Deeds
  - d) A credit note
  - e) A petty cash voucher
- [5 each]
2. a) Explain the following international commercial terms (incoterms):
- i DES
  - ii CIF
  - iii EXW
  - iv FAS
  - v DDU
- [2 each]
- b) Describe the functions of a bill of exchange. [8]
- c) Explain the difference between trade and cash discount. [7]
3. Explain the following methods of production:
- a) Contract
  - b) Process
  - c) Job
  - d) Batch
  - e) Service
- [5 each]
4. a) Comment on the principle types of advertising and how they are used. [10]
- b) Discuss how marketing benefits the organisation. [15]
5. Write short notes on FIVE of the following:
- a) Indirect costs
  - b) Primary research
  - c) A national census
  - d) JIT
  - e) A break-even graph
  - f) Job satisfaction and the organisation
  - g) Methods of distribution
- [5 each]