



# ICM

JUNE 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. Describe the principal purposes of the following business documents:
- a) An invoice
  - b) A bill of exchange
  - c) A debit note
  - d) A credit note
  - e) A goods received note (GRN) [5 each]
2. a) Explain the following international terms (incoterms):
- i DAF
  - ii CIF
  - iii EXW
  - iv FOB
  - v DDP [2 each]
- b) Explain the following terms:
- i Indirect costs
  - ii Direct costs
  - iii Break-even point [5 each]
3. Discuss how advertising can help a business improve its profits. [25]
4. a) Discuss the chief approaches to market research. [15]  
b) Explain what a suggestion box is and why it can help companies become more efficient. [10]
5. Write short notes on FIVE of the following:
- a) Contract production
  - b) Job satisfaction
  - c) Road haulage
  - d) A national census
  - e) Repeat orders
  - f) Sample
  - g) Trade discount [5 each]