



ICM

MARCH 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 []
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- 1. Identify the sequence of events in making a sale. [25]

 - 2. a) Explain how bills of exchange promote business activity. [10]
b) Explain the following terms:
 - i Cyclical billing
 - ii Drawer and drawee
 - iii Absorption costing [5 each]

 - 3. a) Why is a statement of account sent out? [10]
b) Explain the TWO main reasons for sending a credit note. [7]
c) What is the importance of a debit note? [8]

 - 4. a) Discuss the chief approaches to marketing research. [15]
b) Explain the term '**random sample**'. [5]
c) Explain the term '**break-even**'. [5]

 - 5. Write short notes on FIVE of the following:
 - a) Suggestion box
 - b) In-house research
 - c) Sampling
 - d) Collective advertising
 - e) Product range
 - f) VAT
 - g) Receipts [5 each]