

# WORKSHEET #1

## SECTION A

### Multiple Choices

**Instruction: This section consists of TEN (10) multiple choice questions. Circle the letter next to the MOST APPROPRIATE answer.**

1. "Double coincidence of wants" is an issue associated with the system of:
  - a. Sale
  - b. Barter
  - c. Transfer
  - d. Donations
2. The main objective of the private sector is
  - a. To make a profit
  - b. To provide a service
  - c. To provide advice
  - d. To pay dividends
3. Which of the following is a disadvantage of the barter system?
  - I. The rate of exchange
  - II. Storage of wealth
  - III. Acquisition of goods
  - a. I and II only
  - b. III only
  - c. I and III only
  - d. I, II and III
4. Any commodity accepted as a measure of value and a medium of exchange.
  - a. Trade
  - b. Paper
  - c. Money
  - d. Finance
5. The main objective of the public sector is
  - a. To make a profit
  - b. To provide a service
  - c. To provide advice
  - d. To pay dividends

6. An association of 2-20 individuals operating a business to make a profit is called a
- a. Partnership
  - b. Franchise
  - c. Joint venture
  - d. Sole trader
7. Joan lives in a country where the government assumes control of economic planning and resource allocation. Joan's country has a
- a. Planned economy system
  - b. Free market economy system
  - c. Mixed economy system
  - d. Traditional economy system
8. Another term used to describe a free market economy system is the:
- a. Capitalist
  - b. Socialist
  - c. Subsistence
  - d. Command
9. An economic system in which the customer drives the economy is called:
- a. Capitalist
10. Peter told his friend that some agricultural- based economies still operate in traditional economic systems. Another term used to describe the traditional economic system is:
- a. Planned Economic System
  - b. Free market Economic System
  - c. Mixed Economic System
  - d. Subsistence economy

**Answer the following questions.**

**Question 1**

- (a) Define the term “barter” **(2 marks)**
- (b) State **TWO** problems associated with barter. **(4 marks)**
- (c) Explain **TWO** ways in which the use of money can overcome the problems associated with barter. **(4 marks)**

**Question 2:** Compare the private sector with the public sector in terms of:

- (a) Ownership and control
- (b) Objective or motive
- (c) Source of capital **(6 marks)**

**Question 3:** Outline **TWO** ways in which a free market economy differs from a planned or command economy.

**Question 4:** State **TWO** functions of **EACH** of the following departments.

- (a) Marketing
- (b) Finance
- (c) Production
- (d) Human Resource **(8 marks)**

**Question 5:** State **THREE** advantages of a private limited company. **(6 marks)**

**Question 6:** State **TWO** characteristics of a:

- (a) Partnership **(2 marks)**
- (b) Private Limited Company **(2 marks)**

**Question 7:** Outline **TWO** advantages a business would enjoy by converting from a partnership to a private limited company.

**(6**

**marks)**