



FRANKLIN UNIVERSITY PROFICIENCY EXAM (FUPE) STUDY GUIDE

Course Title:	<i>BSAD 110- Business Principles</i>
Recommended Textbook(s):	<i>Understanding Business</i> , Nickels, McHugh and McHugh, Chicago, IL: Richard D, Irwin, 1996, Fourth Edition
Number & Type of Questions:	200 Multiple Choice Questions
Permitted Materials:	#2 Pencil
Time Limit:	2 Hours

Exam Questions per Chapter:

Chapter	Questions		Chapter	Questions
1	7		12	7
2	8		13	9
3	6		14	16
4	3		15	8
5	9		16	10
6	6		17	6
7	16		18	17
8	9		19	14
9	9		20	12
10	9		21	5
11	8		22	6

Sample Questions:

All of the following are factors of production except:

- a. money
- b. labor
- c. information
- d. entrepreneurship

High tax rates tend to:

- a. promote economic development
- b. make a nation's currency tradable

- c. discourage entrepreneurship
- d. reduce the amount of money created by the government

Many economists and business experts feel that _____ will be the growth market of the late 1990s.

- a. Asia
- b. Africa
- c. South America
- d. Europe

Today, business is becoming driven by the wants and needs of:

- a. customers
- b. managers
- c. creditors
- d. government bureaucrats

The agreement between the United States, Canada, and Mexico to remove barriers that restricted trade among these nations is known as:

- a. NAFTA
- b. OPEC
- c. NATO
- d. The Trilateral Agreement

Economics is the study of:

- a. price and its relationship to a world market
- b. the allocation of scarce resources among competing groups and individuals
- c. buying habits and procedures that govern market actions
- d. government and business support of consumer rights

One factor causing businesses to actively enforce ethical standards is:

- a. avoidance of employee turnover
- b. avoidance of negative publicity
- c. avoidance of criminal penalties
- d. avoidance of responsibility to stake holders⁴