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Faculty of Economics, Business, and Management
Department of Management
3rd Year Business Management

Correction of the First Exam in English of the Fifth Semester

<u>Task 01</u>		Mark
1	<ul style="list-style-type: none"> • False. Correction: the traditional definition of business differs from the modern one. 	01
2	<ul style="list-style-type: none"> • True. 	01
3	<ul style="list-style-type: none"> • False. Correction: Sole proprietorships have limited access to outside sources of finance. 	01
4	<ul style="list-style-type: none"> • False. Correction: a healthy business generates more cash than it spends. 	01
The total mark:		04 Pts

<u>Task 02</u>		Mark
1	<ul style="list-style-type: none"> • Definition of sole proprietorship: A business owned by a single individual. • Advantage of sole proprietorship: The owner has the complete control over decision-making. • Disadvantage of sole proprietorship: Limited access to outside sources of finance. 	01,50
2	<ul style="list-style-type: none"> • Definition of partnership: An association of two or more persons who come together as co-owners for the purpose of operating a business for profit. • Advantage of partnership: It provides access to equity or ownership, as well as financing from multiple owners in return for partnership shares, or units of ownership. • Disadvantage of partnership: in general partnership, each partner is personally responsible for the business's debts and liabilities. 	01,50
3	<ul style="list-style-type: none"> • Definition of corporation: a legal entity that is separate from its owners (shareholders). • Advantage of corporation: the owners' liability is confined to the amount of their investment in the company. • Disadvantage of corporation: the double taxation of earnings that are paid out in the form of dividends. 	01,50
The total mark:		04,50Pts

<u>Task 03</u>		Mark
1	<ul style="list-style-type: none"> • Risk management. 	01
2	<ul style="list-style-type: none"> • Management. 	01
3	<ul style="list-style-type: none"> • Business. 	01
4	<ul style="list-style-type: none"> • Service. 	01
The total mark:		04 Pts

<u>Task 04</u>		Mark
1.a	<ul style="list-style-type: none"> • Explanation of the difference between leaders and managers: leaders have a clear vision of the position of their organization in the future; however, they are not responsible for fulfilling this vision. So, the managers transfer the companies' mission, goals and vision to the entire organization. Also, the managers are responsible for keeping employees aligned with the core companies' goals and values. <u>Any logical answers are accepted.</u> 	01,50
b	<ul style="list-style-type: none"> • Two other differences: <ul style="list-style-type: none"> - Leaders form the culture and the managers think of execution. - Leaders peek into the future and managers take action in the present. <u>Any logical answers are accepted.</u> 	02
2.a	<ul style="list-style-type: none"> • Ethics in business refers to the principles and values that guide the behavior of individuals and organizations in the business world. 	01
b	<ul style="list-style-type: none"> • The importance of implementing ethics in business is: <ul style="list-style-type: none"> - Ethical behavior enhances an organization's reputation and builds trust with customers, employees, and stakeholders. - Adhering to ethical principles ensures legal compliance, reducing the risk of legal issues and associated costs. <u>Any logical answers are accepted.</u> 	02
c	<ul style="list-style-type: none"> • An authentic example of an ethics-related problem in business is: Enron, once considered one of the largest and most innovative companies in the USA, collapsed in 2001 due to widespread accounting fraud and ethical misconduct. Executives engaged in deceptive accounting practices, misrepresenting the company's financial health. The unethical behavior led to significant financial losses for investors, employees losing their jobs, and a loss of trust in the financial markets. The Enron case underscores the importance of ethical conduct in business to maintain trust and integrity. <u>Any logical answers are accepted.</u> 	01
The total mark:		07,50Pts