

**NATIONAL BUSINESS AND TECHNICAL EXAMINATIONS BOARD (NABTEB)  
OFFICE PRACTICE (413)**

**1. Explain TWO functions each of the following departments:**

- (a) Accounts department
- (b) Sales department
- (c) Purchases department
- (d) Audit department
- (e) Marketing department

**A. Accounts Department:**

- (i) Safe keeping of cash: All payments received from customers for sales of goods and services and cash received is kept in the bank until when needed.
- (ii) Preparation of sales invoice: For record purposes, goods and services provided is required to issue sales invoice for articulate functioning.
- (iii) Keeping of various books of accounts: For future reference, all transactions made are recorded in the appropriate books of accounts. It serves as a follow up for future transactions.
- (iv) Control of Company: To facilitate judicious spending. It is necessary to see that expenses incurred are within limited fund.
- (v) Allocates money for purchase of office equipment, furniture, stationery etc. as at when due for each section of the entire organization.
- (vi) Preparation of profit and loss account and balance sheet of the company. This is needed for appraisal during Annual General Meeting involving management and share holders.
- (vii) Collection of revenue: Collects proceeds for cash and credit sales.
- (viii) Settlement of bills from suppliers. Goods purchases by the company will be paid by accounts department.
- (ix) Collection of revenue on behalf of the government staff PAYE and VAT and remit same to the appropriate inland revenue department.
- (x) Payment of staff salaries and wages. It is one of the schedule of accounts department to prepare wages and salaries and pay members of staff promptly or as scheduled.

**B. Sales Department**

- (a) Marketing of goods and services provided. The department is responsible for creating awareness for the goods and services offered for sale.
- (b) Packaging of goods: Goods are packed into appropriate sizes for easy identification and prompt offer to prospective and existing customers.
- (c) Price tagging: Goods are labeled with the prices for customers awareness.
- (d) Directing customers to “point of sale unit where goods contracted are paid for”.

- (e) Delivery of goods: With the support of sales department in alliance with transport unit goods are conveyed or dispatched after sales to business centre(s) of customers.
- (f) Visiting customers: Regular visits are paid to existing customers so as to gain new business request whenever possible.

**C. Purchasing Department:** This is responsible for:

- (a) Purchasing raw materials and machines used for manufacturing of products.
- (b) Making arrangement for the purchase of office equipment, furniture, office consumables, refreshment, etc.
- (c) Checks and approves payments of invoices for goods supplied.
- (d) Keeping suppliers lists/addresses.
- (e) Placing orders: Placing orders and requisition received from other departments.
- (f) Checking and certifying purchases and ensuring that goods are inspected and delivered on time.
- (g) Keeping records of matters relating to purchases.

**D. Audit Department**

- (a) Scrutinize payment vouchers for wages and salaries.
- (b) Conducts internal auditing: Assisting external auditors during the auditing of company's books of account.
- (c) Issue queries to those that err or miss-appropriate cash materials of the company.

**E. Marketing Department**

- (a) Conduct market survey so as to create targeted market for a particular product.
- (b) Conducts initial product samples to prospective customers' awareness through demonstration.
- (c) It assists in fixing prices for goods and services offered for sale by the company.
- (d) Reports product complaints to management to conform with customers request.
- (e) Market segmentation: The unit is responsible for the division of a market into identifiable sub-markets for the purpose of reaching targeted customers etc.
- (f) It conducts sales promotion.

**2. (a) What is the difference between insurable risks and non-insurable risks?**

Insurable risks are those risks that have mathematical probability of happening. It includes burglary, fire, sea disaster and motor accidents while non insurable risks

are business risks which cannot be circulated with any mathematical precision like risk of losing profits, if the goods being sold is out of fashion or out of use.

**(a) State and explain FOUR reasons why some risks cannot be insured?**

- (i) Difficulty in establishing the magnitude of the event i.e. Natural disasters are normally not prone to identifying the extent of damages caused. E.g. Earthquake, coast of submergence involves perishing the land mass and its attendant properties. It is not easy to calculate or estimate the value of properties affected. Therefore, nature of the disaster makes it impossible to calculate.
- (ii) No statistic or reference point available. There is no reference point that could be used for estimating either minimum cost of damaged properties.
- (iii) No definite time of the occurrence: Human beings do take up life assurance for certain period or span of their existence. But death knows no bound hence life assurance is non predictable even though it may happen at odd times, certain events happen to mankind that could not be traceable e.g. missing person, drowned or consumed by fire to no ones awareness.
- (iv) Incompatible reasons for taking insurance for such individual.

**3. Distinguish between the following terms used in business transactions.**

- (a) An invoice and proforma invoice.
- (b) Credit note and debit note.
- (c) Customs duties and excise duties.
- (d) Consignment note and dispatch note.
- (e) Railex service and railway letter.

An invoice is a document issued by the seller to a buyer after purchase has been made indicating conditions of delivery, discount given if payment is made within a stipulated time e.g. 10% within 30 days. While

A Proforma Invoice is sent instead of an invoice to ask if the customer approves goods and conditions as stated. He should then notify the seller and the proforma invoice will then become an invoice which will in due course be paid for by the customer.

Credit Note is issued by the seller to the buyer to correct error of over charge or payment for purchases made while

Debit Note is a document issued by the seller when the amount stated in his invoice is too little, it is also used to notify customer of how much he is expected to pay for services rendered on his behalf in accordance with the terms of contract.

**Custom Duties:** Are specific charges made by customs on imported goods/products, while **Excise Duties** are levied on goods manufactured within a country by customs department.

**Consignment Note:** Is used when an independent carrier or transporter by rail or road is used to accompany goods forwarded while a dispatch note is used for delivery of correspondence by a messenger within or outside an organisation.

**Railex Service** is a parcel/packet handed over with any express delivery post office while railway letters are sent by the first train available from the railway station. Railex service is handled on arrival at the destination station either by post through the nearest post office box while railway letters are handed in at the destination station to be called for.

Railex service attracts first class postage plus additional fees while railway letters are delivered by railway messengers during working hours.

**4. State and explain FIVE reasons why industries are nationalized/owned publicly.**

- (i) **Essential services:** For the provision of essential services which is vital to the citizens.
- (ii) **Monitoring of industries:** To avoid wastage and duplication of industries between state and private sector.
- (iii) **Huge capital needed.** It is only the government that can judiciously provide capital needed/required for execution.
- (iv) **Even development:** To encourage even development and equitable distribution of the country's wealth or natural resources without partiality or political motive.
- (v) **Safety/security of national development:** For the purpose of national security for the entire nation without discrimination.

**5. (a) Explain FIVE steps taken by Central Bank to control abuse of traveler's cheque.**

- (i) The Central Bank introduces stiff penalty like withdrawal of licences issued to banks or individuals.
- (ii) The Central Bank bans defaulting individuals or banks from further purchases of travelers cheques.
- (iii) The Central Bank appoints agents to monitor the sale of travelers cheque.
- (iv) The Central Bank prosecutes and sentences defaulters to prison for a prescribed number of years.
- (v) The Central Bank introduces maximum Basic Travel Allowance (BTA).
- (vi) The Central Bank publishes the names of defaulting individuals or banks in national papers regularly to serve as deterrent to others.
- (vii) Customs checking posts are placed at our air and sea ports for currency traffickers.

**6. (a) Explain FIVE advantages of Ink Duplicator.**

- (i) It provides the cheapest way of reproducing large number of copies of a document.
- (ii) Master can be produced in variety of ways e.g. by typing, hand written.
- (iii) The stencil can be stored for future use.
- (iv) Exact copy of an original document through typewriter can be reproduced on stencil.
- (v) If mistakes are made, correction fluid can be used to remove errors before retyping.
- (vi) Several thousands of copies can be reproduced without blemish and error.

**(b) List FIVE disadvantages of electric typewriter.**

- (i) Power failure may delay work in progress.
- (ii) Machine and materials are very expensive.
- (iii) It could only be operated by specially trained operators which is not easy to come by.
- (iv) Maintenance required to service the machines through specialist are difficult to come by, get or hired because they are few.
- (v) Spare parts are not easily available locally as such life span of machines is very short.

**7. (a) Distinguish between Rotary and Lateral Filing System.**

Rotary filing is whereby spinning wheel or sprockets in which files are arranged systematically thus making it rotate or searching for records in a file while Lateral Filing is when files are stored side by side in upwards position on shelves with vertical dividers at internal or placed in concertina pockets hung from rails fitted laterally.

**(b) Explain FOUR advantages of Rotary and Lateral Filing System.**

- (i) The system can contain large number of filing records.
- (ii) Colour labels when used makes records easier to trace or refer to.
- (iii) It is cheap to operate or the cost of operation is minimal.
- (iv) It can be built as high as possible as ladder serves as supporting material to get to higher range(s).
- (v) It is more economical in the use of space than cabinets as no room need be allowed for drawer.

**8. Write short notes on each of the following office equipment.**

- (a) Franking Machine.
- (b) Shredding Machine.

- (c) Perforating Machine.
- (d) Envelope Ceiling Machine.

(a) **Franking Machine**

- (i) It prints replica of a postage stamp on an envelope.
- (ii) The machine can be operated both manually and electronically.
- (iii) It can indicate the source of postage on the envelope.
- (iv) The time of printing of replica impression can be printed on the envelope.
- (v) Special event and advertisement can be printed on the envelope.

(b) **Shredding Machine**

- (i) It is used for destroying obsolete papers into smaller pieces.
- (ii) Papers shredded are used for supporting breakable such as plates, sheets, etc. while packed for delivery of goods.

(c) **Perforating Machine**

It is used for boring holes on documents/papers before using file tag to fasten the documents or parcels together.

(d) **Envelope Ceiling Machine**

Is used for moistening the flaps of envelopes and gum it together.

9. (a) **Define Recruitment.**

Recruitment is the process of identifying existing vacancies, placing advertisement for qualified personnel, screening applications and conducting interview for selecting the most suitable applicant for organizational services.

(b) **Mention FIVE Sources of Recruitment.**

- (i) Through newspaper publication.
- (ii) Through foreign mission abroad.
- (iii) Through colleges and universities.
- (iv) Through professional organizations/consultancy firms/agencies.
- (v) Through internal sources of personnel who are qualified for the job when advertisement is for both internal or external sources.

(c) Explain THREE of the sources of recruitment.

- i. Newspaper publication enables prospective applicants to be aware of the existing vacancies and apply if qualified.
- ii. Through foreign mission abroad:- The consulates are authorized to employ prospective employee when given go ahead.
- iii. Recommendation of candidates by members of staff of the organizations.

10. (a) What is stock taking?

- (a) Stock-taking is the periodic or annual physical counting of stocks at hand with stock cards to ascertain available stocks.
- (b) Prepare a specimen stock control card for use in an office.

X Y Z COMPANY -----	(1)
STOCK RECORD CARD -----	(1)
ITEM ----- <sup>1</sup> / <sub>2</sub> -----	MINIMUM ----- <sup>1</sup> / <sub>2</sub> -----
Unit ----- <sup>1</sup> / <sub>2</sub> -----	Maximum ----- <sup>1</sup> / <sub>2</sub> -----

<b>RECEIVED</b>						
<b>Date</b> <sup>1</sup> / <sub>2</sub>	<b>GRN No.</b> <sup>1</sup> / <sub>6</sub>	<b>Quantity</b> <sup>1</sup> / <sub>6</sub>	<b>Date</b> <sup>1</sup> / <sub>6</sub>	<b>GRN No.</b> <sup>1</sup> / <sub>6</sub>	<b>Quantity</b> <sup>1</sup> / <sub>6</sub>	<b>Balance</b>
	(1)			(1)		(1)