

**COVENANT UNIVERSITY
NIGERIA**

*TUTORIAL KIT
OMEGA SEMESTER*

**PROGRAMME: MASS
COMMUNICATION**

COURSE: PRE 322

DISCLAIMER

The contents of this document are intended for practice and leaning purposes at the undergraduate level. The materials are from different sources including the internet and the contributors do not in any way claim authorship or ownership of them. The materials are also not to be used for any commercial purpose.

PRE 322: FINANCIAL PUBLIC RELATIONS

Contributor: AMODU, LANRE OLAOLU

1. What do you understand by Financial Relations?
2. Which is the most valuable resource needed for business and what responsibility does it impose on a business?
3. What do you understand by Sole Proprietorship?
4. What does it mean that there are no special taxes under sole proprietorship?
5. Explain how sole proprietorship may result in managerial difficulties.
6. Explain the Partnership form of business ownership.
7. Why is the difficulty to terminate the business one of the challenges of partnership?
8. What is a Corporation?
9. Explain what double taxation means under a corporation.
10. Explain the significance of the following to financial PR: Central Bank of Nigeria, Mortgage Banks, Development Banks and the Nigerian Stock Exchange.
11. What is the major responsibility of insurance companies?
12. Explain what you understand by consequential loss.
13. Explain what you understand by product liability.
14. What is the purpose of Liability Insurance?
15. What is an annual report?
16. Explain two purposes of the annual report.
17. Who is an investor?
18. Explain any five advantages of stock.
19. What do you understand by the preferred stock?
20. Explain the difference between Bears and Bulls in stock trading.

ANSWER

1. Financial PR is the arm of public relations that specializes in building and maintain mutual and beneficial relationships between an organization (entity) and its financial publics.
2. Which is the most valuable resource needed for business and what responsibility does it impose on a business?
3. What do you understand by Sole Proprietorship?
ANS:
This is a business that is owned and usually managed by one person (and his/her family). It is, however, noteworthy that some sole proprietorship businesses are mega or multinational businesses such as Globacom and Silverbird Group.
4. What does it mean that there are no special taxes under sole proprietorship?

5. Explain how sole proprietorship may result in managerial difficulties.

ANS:

This situation can result if the sole proprietor tries to save cost by undertaking all managerial tasks in the organization. Since one person cannot effectively run a business, particularly when it starts grow.

6. Explain the Partnership form of business ownership.

7. Why is the difficulty to terminate the business one of the challenges of partnership?

ANS:

There is always the possibility of disagreement if one or more of the partners want to terminate the business while the others are not interested. Buying out the uninterested partner may not be easy when it comes to sharing assets and liabilities.

8. What is a Corporation?

9. Explain what double taxation means under a corporation.

ANS:

Under the corporation type of business, the government taxes the overall income of an organization, and also taxes the dividends paid to shareholders too.

10. Explain the significance of the following to financial PR: Central Bank of Nigeria, Mortgage Banks, Development Banks and the Nigerian Stock Exchange.

11. What is the major responsibility of insurance companies?

ANS:

An Insurance Company is a company that is paid some money so that it can pay the cost in case of a mishap. The main responsibility of the company is to bear risks on behalf of clients.

12. Explain what you understand by consequential loss.

13. Explain what you understand by product liability.

ANS:

Product Liability caters for defective products. If a company is sued because its product is defective, the insurance company bears the cost of the litigation.

14. What is the purpose of Liability Insurance?

15. What is an annual report?

ANS:

Annual reports are publications that are required of publicly held companies, though other companies and even non-profit organizations also produce them to document fiscal soundness and document the year's event.

16. Explain two purposes of the annual report.

17. Who is an investor?

ANS:

Investment can be defined as the money/resource that is given to a company in order to get a profit later. It can also be used to refer to the act of investing. An investor, therefore, is someone who puts money in business with the intention of making profit.

18. Explain any five advantages of stock.

19. What do you understand by the preferred stock?

ANS:

This type of stock gives its owners preference in the payment of dividends and an earlier claim on assets than common or ordinary stockholder if the company is forced out of business and its assets are sold. However, preferred stockholders are not entitled to vote in the firm. This category of shareholders is also paid fixed dividends regularly.