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(KNOWLEDGE FOR DEVELOPMENT)
KIBABII UNIVERSITY
UNIVERSITY EXAMINATIONS
2017/2018 ACADEMIC YEAR
SECOND YEAR SECOND SEMESTER
MAIN EXAMINATION
FOR THE DIPLOMA IN EDUCATION

COURSE CODE: EDB 101

COURSE TITLE: INTRODUCTION TO BUSINESS

DATE: 12/01/2018 TIME: 2.00 P.M – 4.00 P.M

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE IN SECTION A AND ANY OTHER TWO (2) QUESTIONS IN SECTION B

TIME: 2 HOURS reserves ZERO tolerance to examination cheating

This Paper Consists of 4 Printed Pages. Please Turn Over.

SECTION A (COMPULSORY)

Question one

Kakamega Women Group has invited you as a consultant to shade some light on what business venture they should go for after getting a loan from Uwezo fund. This comes after several attempts of failure in starting and strengthening their business. They have approached you because of your strong business skills and acumen. They have provided a check list of what your presentation will touch on.

Basing on the checklist, you are required to;

- i) State and explain any **THREE** conflicting business objectives affecting these stakeholders;
 - i. Business owners (3 marks)
 - ii. Workers (3 marks)
 - iii. Customers (3 marks)
 - iv. Government (3 marks)
 - v. Community (3 marks)
- ii) Highlight and briefly explain the **THREE** Government policies that regulate businesses in Kenya (3 marks)
- iii) State and explain any **SEVEN** financial documents involved in buying and selling (7 marks)
- iv) Discuss any **FIVE** key reasons why Governments regulate businesses (5 marks)

SECTION B (CHOOSE ANY TWO QUESTIONS)

Question two

Businesses today are facing a lot of challenges. Others are on the verge of collapsing and even struggle to sustain the business. In the case of large scale businesses, they are forced to undergo receivership or shut down due to economic meltdown.

- a) Exhaustively discuss the Porters 5 forces model of competition (10 marks)
- b) You have been appointed as the Chief Executive officer at Mumias Sugar Company and tasked with the mandate of overseeing the turnaround of the Company after it registered a loss of two billion in the recent financial year. Highlight and explain the measures you will put in place to enable the Company to shoot to profitability and restore its lost glory. (10 marks)

Question three

- a) Businesses need finance or money to pay for their overhead costs as well as their day today variable costs. As the Head of treasury at the County Government of Vihiga, Exhaustively discuss the internal and external sources of finance you intend to exploit in order to have a seamless transition of activities at the County. (10 marks)
- b) State and explain the barriers to effective communication in business highlighting their possible solutions (10 marks)

Question four

- a) Write short notes on:
 - i) Market research (1 marks)
 - ii) Marketing mix (2 marks)
 - iii) Business accounting (1 marks)
 - iv) Organization Structure (1 marks)
 - v) Market segmentation (2 marks)
 - vi) Mass Market (1 marks)
 - vii) Niche market (1 marks)
- b) Briefly state the objectives of a marketing Department for a viable business. (5 marks)
- c) Multinationals are businesses that have operations in more than one Country. Explain the Six reasons that drive companies to become multinational (6 marks)