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KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS 2020/2021 ACADEMIC YEAR FIRST YEAR FIRST SEMESTER

MAIN EXAMINATION

FOR THE DEGREE OF BACHELOR OF COMMERCE

COURSE CODE: BCO 111

COURSE TITLE: INTRODUCTION TO BUSINESS MANAGEMENT

DATE: 22/02/2021

TIME: 2.00PM-4.00PM

INSTRUCTION TO CANDIDATES

- 1) The paper contains **FIVE** questions
- 2) Attempt **THREE** questions
- 3) Question **ONE** is Compulsory

TIME: 2 Hours

KIBU observes **ZERO** tolerance to examination cheating

QUESTION ONE

- a) Mr. Wambilianga is an upcoming entrepreneur who intends to start a business that he hopes will be a very large holding by the end of 50 years. Advice him on how he may choose the type of business to invest in. (10 marks)
- b) Using a relevant example in the Kenyan Context. Discuss the different levels of management. (10 marks)
- c) All business need profits for their smooth running and survival. Discuss this arguments presented in favor of profit motive (10 marks)

QUESTION TWO

- a) One of the functions of management is that of planning. Describe the stages a manager will go through when performing this function. Illustrate with reference to a specific situation in the business context. (10 marks)
- b) The directing functions is said to be the 'Life spark of an enterprise.' Discuss. (10 marks)

QUESTION THREE

- a) Business operations is influenced by both the micro and macro environment. Explain the forces or factors within a business micro environment that influence its activities. (10 marks)
- b) You have been approached by a group of people who would like to form and start a public limited company. Explain to them what a public limited company is and the steps they need to follow to form the company. (10 marks)

QUESTION FOUR

- a) Managers at all level within an organization have specific function to perform. Discuss the functions of management at the top level management. (10 marks)
- b) Marketing has presently become one of the most specialized functions of most business organization. Discuss the universal functions of marketing (10 marks)

QUESTION FIVE

- a) Many organizations now include explicit reference to their commitment to act in a socially responsible manner in their mission statements. This then forms an integral part of organizational strategies and policies. However, some shareholders see social responsibility as conflicting with their main interest in the company, which is creating maximum shareholders wealth.

Required

Explain the main arguments for and against the view that socially responsible business decisions can achieve sustainable competitive performance and improve shareholders value. (10 marks)

- b) Share capital is the most stable source of finance for a company. Discuss the main features of the ordinary share capital (10 marks)