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# KIBABII UNIVERSITY



## UNIVERSITY EXAMINATIONS 2020/2021 ACADEMIC YEAR FIRST YEAR FIRST SEMESTER

### SPECIAL/ SUPPLEMENTARY EXAMINATION

### FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT

**COURSE CODE: BBM 112/BCO 112**

**COURSE TITLE: BUSINESS ENVIRONMENT**

**DATE: 30/09/2021**

**TIME: 8.00AM-11.00AM**

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#### 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**

Simiyu and Wekesa are two young men who hail from Bungoma County. After sitting their Form 4 exam in the year 2014 they have been assisting their uncle in running his posho mill. They have also attended seminars on business targeting the youth in their local church. They recently won Kshs 100,000 from a competition organised by Bungoma County. They have decided to go into business in order to invest the funds. Though Simiyu is still undecided on the type of business to engage in Wekesa has his sights on starting a cyber café targeting students at Kibabii University.

- a) Using SWOT analysis analyse the factors in the environment that Simiyu and Wekesa have to consider before starting the business. (15 marks)
- b) Highlight the importance of having the cyber café in the county (5 marks)
- c) Using the PESTLE model analyse the issues affecting the cyber café business (10 marks)

### **QUESTION TWO**

- a) Business operations entail interactions of several interested parties. With illustrations cite and explain how FOUR such interested parties facilitate business processes. (12 marks)
- b) Briefly assess the significance of the global factors that shape national business activities. (8 marks)

### **QUESTION THREE**

- a) What, according to you, are the main issues in the political environment of business? (10 marks)
- b) Ms Fatuma, the owner-manager of Tama Enterprises, intends to adopt the use of new technology in her business in order to gain a competitive edge. Explain the areas that the business will experience the impact of technology. (10 marks)

### **QUESTION FOUR**

- a) Tulwa Foods Company located in western region was recently awarded an ISO certification that is an international quality standard. However, it is operating in a turbulent business environment. As a scholar of business environment, identify and analyse the environmental forces that impact on the Company's business environment (15 marks)
- (b) Why should business people understand business environment (5marks)

### **QUESTION FIVE**

- a) What has been the impact of business environmental changes with regard to globalization and privatization? (10 marks)
- b) Discuss the factors that affects liberalization of a country (10 marks)