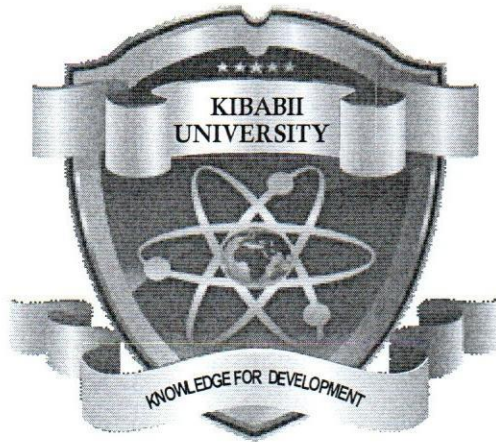


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**KIBABII UNIVERSITY**



**UNIVERSITY EXAMINATIONS**

**SPECIAL/SUPPLEMENTARY EXAMINATION**

**2019/2020 ACADEMIC YEAR**

**FIRST YEAR FIRST SEMESTER**

**FOR THE DEGREE OF BACHELOR OF COMMERCE**

**COURSE CODE: BBM 111**

**COURSE TITLE: INTRODUCTION TO BUSINESS MANAGEMENT**

**DATE: 11/02/2021**

**TIME: 8.00 – 10.00AM**

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**INSTRUCTIONS TO CANDIDATES**

Answer **All** questions in Section A and Any other **TWO (2)** Questions from **section B**

## SECTION A

### Question One

- a) Discuss the role of business in Kenya and elaborate also on the major causes of business failure. (10 marks)
- b) Explain the following documents that are presented to the registrar of companies when registering a limited company. (8 marks)
- Memorandum of Association
  - Articles of association
  - Form 10
  - Form 12
- c) Briefly elaborate on the following economic systems highlighting their advantages and disadvantages. (12 marks)
- Traditional Economy
  - Free market/Capitalist Economy
  - Planned/Socialist/Command Economy
  - Mixed Economy

## SECTION B

### Question Two

- a) Distinguish between the following types of financial decision making in an enterprise; Decision on investment areas and Decision on profit distribution. (5 marks)
- b) Elaborate on the following (5 marks)
- Functional structure (5 marks)
  - Product line structure (5 marks)
  - Geographical based structure

### Question THREE

- a) Describe what is market mix and explain the major elements involved. (11 marks)
- b) Distinguish between the different leadership styles found in an organisation (9 marks)

### Question FOUR

Imani just won Kshs 100,000 in the just concluded "Vuna na Safaricom raffle". He wants to start a hotel business at Kanduyi but is still not decided on sole proprietorship and partnership. Elaborate on the different types of business ownership present and advice Imani on the best option. (20 marks)