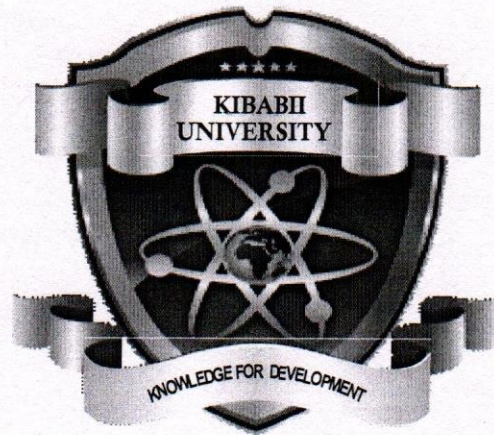


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# KIBABII UNIVERSITY



## UNIVERSITY EXAMINATIONS

**2016/2017 ACADEMIC YEAR**

**FIRST YEAR FIRST SEMESTER**

**FOR THE CERTIFICATE  
IN BUSINESS MANAGEMENT**

**COURSE CODE: C1B 100**

**COURSE TITLE: INTRODUCTION TO BUSINESS STUDIES**

**DATE: 28<sup>TH</sup> SEPTEMBER 2017**

**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**

**QUESTION ONE**



- a) Define the term 'stock exchange.' (4 marks)
- b) Give any four reasons why sole proprietorship businesses are preferred by many business men and women in Kenya. (8 marks)
- c) State the four forms of business policy. (4 marks)
- d) Differentiate between a law and a policy. (2 marks)
- e) Highlight any five classifications of businesses in Kenya. (5 marks)
- f) Mention and explain any seven important factors to consider when buying shares in a company. (7 marks)

**SECTION B (Answer Two Questions from Section B)**

*You are strongly advised to carefully read all the questions in section B before selecting TWO questions to answer.*

**QUESTION TWO**

- a) Discuss some of the features of a business enterprise that you are familiar with. (12 marks)
- b) State some of the practices in which a business may involve itself in order to make a good impression on its lenders to ensure easy obtaining of loans. (8 marks)

**QUESTION THREE**

- a) Define the term 'policy' and state the four forms of business policy. (5 marks)
- b) Business policies need regular modification and development. Explain some of the factors that would not necessitate this. (5 marks)
- c) State any five important factors to consider when buying shares in a company. (5 marks)
- d) Highlight five roles of a stock exchange in the economic development of Kenya. (5 marks)

**QUESTIONFOUR**



- a) Explain the meaning of the term 'business.' **(2 marks)**
- b) The terms business and profession are similar in many aspects but also differ from each other in certain ways. Discuss. **(7 marks)**
- c) Give any five characteristics of a public limited company. **(5 marks)**
- d) The activities of extraction, production, conversion, processing or fabrication of products are described as industry. The products of an industry may fall under three categories. Giving an example in each case, explain the three categories of industries in Kenya. **(6 marks)**