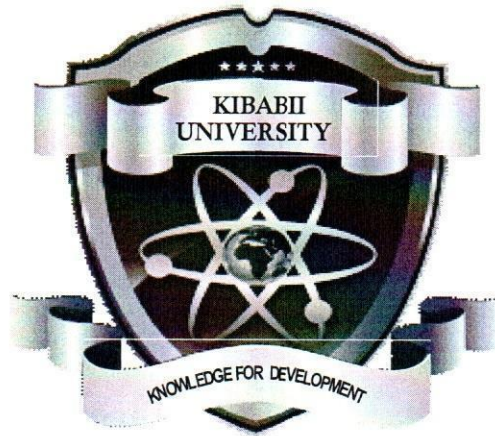


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KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

MAIN EXAMINATION

2021/2022 ACADEMIC YEAR

FIRST YEAR FIRST SEMESTER

FOR THE DEGREE OF BACHELOR OF COMMERCE

COURSE CODE: BCO 111

COURSE TITLE: INTRODUCTION TO BUSINESS MANAGEMENT

DATE: 26/01/2022

TIME: 9.00AM – 11.00AM

INSTRUCTIONS TO CANDIDATES

Answer Question ONE (compulsory) and ANY OTHER TWO questions in section TWO

SECTION ONE

Read the passage below and use the information to attempt question one.

Busieda Enterprises Ltd has problems that are threatening its existence if not successfully addressed. The sales have been falling and the volume of production was low individual employee productivity is low. The employees seem not to understand the mission and vision of the organization. Recently there was a strike blamed at the high handedness of some supervisors. The problems of low productivity and poor standards is evident.

Mr. Masinde the CEO, summoned the head of departments for a crisis meeting; Oduori the marketing manager, Etyang the production manager, Namuju in charge of finance, Ongidi, in charge of research and Makokha the personnel manager. The meeting's agenda was to address the above problems.

Oduori noted that the low volume of sales was due to poor quality products. He advised of the need to adopt some strategies advocated for by quality and standardized management proponents by Busieda ltd.

Etyang noted that there was low productivity due to poor strategies and plans on recruitment, selection and training. Therefore he reiterated the need for piece-rate payment and standardization of work tools. He added that there was need for work and time study to improve the productivity.

Makokha noted there was little motivation due to poor communication among the workers and managers.

Though there is a problem of wastage in the organization, Namuju did not offer a solution. On his part Ongidi said that there was a problem of management. He clarified that the current management approach in Busieda ltd has seen around for over 50 years. He noted it was high time for change in the organization through introduction of the contingent approach to management as opposed to the classical approach inherent within. The other managers did not understand this explanation and asked Ongidi to clarify this new approach of management.

Question One

- a) Mr. Oduori and Mr. Etyang seem to agree on the 'one approach to management' as a way out. Explain which approach is it and which are its drawbacks? (5marks)
- c) Based on Mr. Etyang's belief to be the problem, explain the importance of planning and highlight the types and steps undertaken. (10 marks)
- c) Explain the levels of management and the skills that managers need to possess to effectively manage a business enterprise. (10 marks)
- d) Suppose you are Mr. Ongidi, convince your colleagues and CEO of the contingency approach as the best. Explain what it is? (5 marks)

SECTION TWO

Question Two

- a) Differentiate between functional and line organizational structure, citing their major strengths and weaknesses. (10 marks)
- b) The result of HR workforce analysis, HRDF and HRSF are used in formulating HR actions and plans. Describe the actions taken by the HR manager in terms of a;
- i) Projected shortage
 - ii) Projected surplus (10 marks)

Question Three

- a) Describe 'market mix' is and explain the major elements involved. (10 marks)
- b) Describe the following sources of finance
- i) Retained earnings
 - ii) Bonds
 - iii) Sale and lease back (10 marks)

Question Four

- a) Imani just won Kshs 100,000 in the just concluded "Shangwe na Safaricom". He wants to start a hotel business at Mayanja 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. (15 marks)
- b) Outline any FIVE limitation of applying quality management in an organization. (5 marks)

Question Five

- a) Describe the roles a manager plays in an organization (10 marks)
- b) Discuss the importance of controlling function in management and highlight the steps followed in controlling. (10 marks)