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KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

2022/2023 ACADEMIC YEAR FIRST YEAR FIRST SEMESTER MAIN EXAMINATION

**FOR THE DEGREE OF BACHELOR OF COMMERCE/FOR THE
DEGREE OF BACHELOR OF BUSINESS MANAGEMENT**

COURSE CODE: BCO/BBM 112

COURSE TITLE: BUSINESS ENVIRONMENT

DATE: 13 DEC 2022

TIME: 2:00-4:00 PM

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 (30 MARKS) (Compulsory)

Wakhisa opened up a cyber shop at Musikoma shopping mall.

- a) i. State **FIVE** benefits the community around would benefit from the business (5 marks)
- ii. Highlight **FIVE** internal weakness that may affect the business performance (5 marks)
- b) i. Explain **FIVE** reasons why such a new business may fail (5 marks)
- ii. Differentiate what basis is there between economic and non- economic activities in the free – enterprise market economies (5 marks)
- c) i. What are the main environmental characteristics of Wakhisa's business?. (4 marks)
- ii. State the disadvantages Wakhisa's business will have if it was operating as partnership or a corporation business entity (6 marks)

QUESTION TWO (20 MARKS)

- a) As a manager, what do you think are the benefits of international business (8 marks)
- b) i. Several countries in Asia e.g. China, Singapore and Taiwan have adopted aggressive innovation strategies that spur entrepreneurship development in order to move from labour intensive to industrialized nations. Discuss these strategies. (6 marks)
- ii. Explain the principal objectives of new business operations (6 marks)

QUESTION THREE (20 MARKS)

'In the free-enterprise market economies the market decides what things shall be produced.' 'As far as business is concerned the consumer is sovereign.'

- a) Discuss these statements and their implications for the allocation of resources (10 marks)
- b) According to you, what are the main issues in the political environment of business?(10 marks)

QUESTION FOUR (20 MARKS)

- a) Examine with examples, the macro and micro environmental factors that would need to be considered while making investment decisions and other long term decisions of the business (10 marks)
- b) To what extent has the adoption of ICT facilitated Kenya's economic and industrial development? (10 marks)

QUESTION FIVE (20 MARKS)

Explain in brief the following terms as used in business environment:

a) Economic forces

(5 marks)

b) Technological changes

(5 marks)

c) Political forces

(5 marks)

d) Legal/Regulatory changes

(5 marks)