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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 AND FOR
THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT**

COURSE CODE: BCO111/BBM 111

COURSE TITLE: INTRODUCTION TO MANAGEMENT

DATE: 23 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

SECTION A

The ambience is appealing. Black and orange coloured wall paper with matching leather seats. The furniture is imported mahogany. The place is Herenia House of style, a beauty shop situated at Kibuye in Kisumu town. The proprietor Herenia Auma, 30 year old who is also a teacher in Vihiga, is on the threshold of achieving her childhood dream. She invested Shs. 550,000 in the hair salon shop in July 2014 and within 3 years the ventures' performance is remarkable.

Last year She diversified into wedding gowns garment making to supplement her income stream. Herenia says the returns are good, adding that many fashion conscious people in the town and its environs are becoming her loyal customers. Her mother encouraged her into the business since she was once a saloonist. Her parents have given her moral support, however her father was not happy that she wanted to venture into the hair styling business away from her teaching career.

Herenia says that she started the business from seed money saved from her work as a teacher. She uses elaborate criteria to recruit and select the employees and goes ahead to offer them on the job training on delicate processes of garment making especially in designing and sewing wedding gowns. All her workers are on medical cover and are paid good commissions for their work.

Apart from her customer care skills her niche are the products and services she offers. She has introduced original and unique weaves and wigs targeting the modern woman. Herenia has created a niche in the hair industry especially for the working woman in Kisumu and its environs. Her products are priced competitively to cater for her expanding client base.

QUESTION ONE

- a) Describe the key factors contributing to the success of Herenia Auma as a sole proprietor, and highlight the limitations facing Herenia House of Style, suggesting ways to overcome such obstacles in order to steer the firm to the next growth level. (4 marks)
- b) In relation to a theory of management, discuss the management style practised at Herenia House of Style. (3 marks)
- c) What is marketing mix. Demonstrate how Herenia House of Style has utilised marketing mix to enhance its competitiveness. (10 marks)
- d) The environment surrounding an organization is important for its survival. Discuss the factors which constitute a conducive environment for business. (8 marks)
- e) Differentiate between centralisation and decentralisation of organizational structure and highlight their merits and demerits. (5 marks)

QUESTION TWO

- a) The accounting efforts/tasks can be divided into two major categories, the financial accounting and managerial accounting. Distinguish between the two and elaborate on the users of the information collected. (6 marks)
- b) Discuss the role of business in Kenya and elaborate also on the major causes of business failure. (8 marks)
- c) One of the tasks performed by the Human resource manager is employee retention. Elaborate on the activities performed by the Human resource manager to achieve HR retention. (6 marks)

QUESTION THREE

- a) Differentiate between functional and line organizational structure, citing their major strengths and weaknesses. (10 marks)
- b) At some point TQM was considered a fad by many business leaders. Outline any limitations in applying quality management in an organization. (6 marks)
- c) Distinguish between general partnership and limited partnership (4 marks)

QUESTION FOUR

- 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
- b) Explain the levels of management and the skills that managers need to possess to effectively manage a business enterprise. (8 marks)

QUESTION FIVE

- a) Discuss the process of analyzing risk and highlight the methods an organization can adopt to manage risks. (12 marks)
- b) Compare and contrast scientific management thought and the administrative theory of management. (8 marks)