



EMBU UNIVERSITY COLLEGE
(A Constituent College of the University of Nairobi)

2015/2016 ACADEMIC YEAR

SECOND SEMESTER EXAMINATIONS

FIRST YEAR EXAMINATION FOR THE DEGREES OF BACHELOR OF EDUCATION

TBS 101: INTRODUCTION TO BUSINESS STUDIES

DATE: APRIL 13, 2016

TIME: 08:30-10:30

INSTRUCTIONS:

Answer Question ONE and ANY Other TWO Questions.

QUESTION ONE

- a) Using your own words, explain the meaning of the term business. (2 Marks)
- b) Briefly discuss five considerations a business owner is supposed to decide on, in starting a new business. (5Marks)
- c) One of the key purposes of a business is to maximize profit. Explain two ways a business owner would meet this. (4 Marks)
- d) Explain the relation that should exist between the management and the following interested parties:
- i) financiers
 - ii) Suppliers
 - iii) Local community
- (6 Marks)
- e) Briefly explain the concept of Human Resources Management. (3 Marks)
- f) Outline four advantages of the sole proprietorship. (4 Marks)
- g) Briefly explain how political environment affects local business activities. (4 Marks)
- h) How is an organization an organism (2 marks)

QUESTION TWO

- a) Using appropriate examples, briefly explain how you would apply the following principles of management in a business organization;
- i) Planning
 - ii) Organizing
 - iii) Controlling
 - iv) Staffing
 - v) Leadership (10 Marks)
- b) Explain the four managerial skills needed in an organization necessary for decision making. (8 Marks)
- c) What is management? (2 Marks)

QUESTION THREE

- a) Define the term business environment. (2 Marks)
- b) Discuss four external factors that can influence business (8 Marks)
- c) Business environmental factors are analyzed by use of a SWOT analysis technique
Give five advantages of using this technique (10 Marks)

QUESTION FOUR

- Define 'business ethics' (2 Marks)
- a) Discuss the following business ethical issues
- i) Bribery (3 Marks)
 - ii) Discriminatory practices (3 Marks)
 - iii) Fiduciary responsibilities (4 Marks)
 - iv) Business environmental factors are analyzed by use of a SWOT ANALYSIS TECHNIQUE. Explain what SWOT analysis involves (8Marks)

QUESTION FIVE

- a) Briefly explain the four forms of business ownership (8 Marks)
- b) State two types of economies of scale (2 Marks)
- c) Discuss five advantages of internal economies of scale (10 Marks)

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