



AUC UNIVERSITY COLLEGE
Bastion of Knowledge...

P. O.Box 845-50400 Busia(K)
principal@auc.ac.ke
Tel: +254 741 217 185
+254 736 044 469
off Busia-Malaba road

OFFICE OF THE DEPUTY PRINCIPAL
ACADEMICS, RESEARCH AND STUDENTS' AFFAIRS

UNIVERSITY EXAMINATIONS

2021 /2022 ACADEMIC YEAR

FIRST YEAR FIRST SEMESTER REGULAR EXAMINATION
FOR THE DEGREE OF BACHELOR OF BUSINESS
MANAGEMENT

COURSE CODE: BBM 110

COURSE TITLE: INTRODUCTION TO BUSINESS

DATE: 17TH JANUARY, 2021

TIME: 9.00AM – 12.00PM

INSTRUCTION TO CANDIDATES

- SEE INSIDE

THIS PAPER CONSISTS OF 3 PRINTED PAGES

PLEASE TURN OVER

REGULAR - MAIN EXAM

BBM 110: INTRODUCTION TO BUSINESS

STREAM: BBM

DURATION: 3 Hours

INSTRUCTIONS TO CANDIDATES

- i. Answer Question **ONE** and any other **TWO** questions.
- ii. Do not write on the question paper.

SECTION A

QUESTION ONE

(30 MARKS)

You are the chairperson of the Kenya National Young Achievers Association. In the association's annual conference you are the key note speaker. You notice that most attendees are finding it difficult to relate the normal business environment and what they learn in class.

- (a) (i) highlight any two stakeholders that a business can have **(2 marks)**
- (ii) State any three functions of retailers to them **(3 marks)**
- (iii) Explain to the attendees any **five** roles businesses perform to the economy. **(10 marks)**

(b) You noticed that one of the presenters on means of payments in home trade failed to give reasons why banks may dishonor a cheque. State at least **four** reasons why this may happen. **(4 marks)**
*- out dated -
- insufficient*

(c) Describe the **three** levels of management to the attendees clearly highlighting their responsibilities and job titles. **(6 marks)**

(d) The attendees are inspired by some of the guest speakers and feel they will want to be entrepreneurs once they graduate from school. Explain to them at least **five** characteristics they must possess **(5 marks)**
*- plan
- profit*

QUESTION TWO

(20 MARKS)

- (a) (i) Name **two** natural resources on the surface of land **(2 marks)**
- (ii) Describe any **four** features of land **(8 marks)**
- (b) (i) Differentiate fixed capital from working capital **(4 marks)**
- (ii) State any **six** characteristics of capital **(6 marks)**

*no plan
copy
profit*

*etc.
X - m.d
gener
en*

QUESTION THREE

(20 MARKS)

Environmental factors play a major role in determining an organization's success or failure.

(a) (i) List at least **four** features of business environment. *General & specific = Total & General Dynamics* (4 marks)

(ii) The internal environment of a business can be controlled. State any **four** elements that a business needs to focus on and how they can be controlled. *sur* (4 marks)

(b) Describe any **six** factors of the external environment clearly showing how they affect a business organization. *Political, Legal, Technology* (12 marks)

QUESTION FOUR

(20 MARKS)

(a) Most good business opportunities do not suddenly appear, but rather result from an entrepreneur's alertness to possibilities or to some cases, the establishment of gaps in the market. Describe any **four** ways you can use gaps in the market to identify business opportunities. *coming up* (8 marks)

(b) (i) List any two sources of business ideas (2 marks)

(ii) Discuss any **five** factors discouraging entrepreneurship in Kenya (10 marks)

*- Political instability - Lack of resources
- Gov policies - Lack of skilled
- Technology*

QUESTION FIVE

(20 MARKS)

(a) (i) List any **four** characteristics of business objectives (4 marks)

(ii) Describe any **four** social objectives of a business (4 marks)

(b) (i) Name any **four** types of profit making companies (4 marks)

(ii) Discuss any **four** advantages of a business partnership (8 marks)
