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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2022/2023 ACADEMIC YEAR**  
**FIRST YEAR, FIRST SEMESTER EXAMINATION**  
**FOR THE DEGREE OF BACHELOR OF SCIENCE**  
**(BUSINESS ADMINISTRATION)**

Date: 9<sup>th</sup> December, 2022  
Time: 2.30pm –4.30pm

**KBA 101 - INTRODUCTION TO BUSINESS**

**INSTRUCTIONS TO CANDIDATES**

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**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

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**QUESTION ONE (30 MARKS)**

**CASE STUDY- OPERATIONAL BUSINESS PRACTICE IN KENYA**

John and James are planning to open a cosmetic company as partners. They have been running their firms separately but due to financial constraints experienced on both ends they have decided to do it as partners. In order to merge the costs of running their business as well as add their customer portfolio to their new business. After many consultations with other businessmen they have decided to add a third member to their team who will serve as their sponsor in order to boost their business operations. The sponsor is a bit confused on how to go about this partnership at first but after several advices from different people he agrees to this business venture and that is how John and James cosmetic company is birthed.

- a) Explain how internal and external environment constraints will influence the operations of John and James Cosmetics Company.  
(6 Marks)
- b) Explain what you would advise the sponsor on the characteristics of a private company.  
(6 Marks)
- c) If you were to give the members advice which company would you advise them to start between a limited and an unlimited company. Justify your answer.  
(6 Marks)
- d) Highlight some of the requirements the three directors will be expected to deliberate on in order to raise capital.  
(6 Marks)
- e) Outline the meaning of the following to the sponsor who does not have any legal background:
  - i) An article of association. (3 Marks)
  - ii) A memorandum of association. (3 Marks)

**QUESTION TWO (20 MARKS)**

- a) Explain five external environmental factors that influence operations of business.  
(10 Marks)
- b) State argument for and against assumption of social responsibilities by a business firm.  
(10 Marks)

**QUESTION THREE (20 MARKS)**

- a) Examine the factors that should be taken into consideration while selecting a form of business organization.  
(10 Marks)
- b) State the features of a private limited company.  
(10 Marks)

**QUESTION FOUR (20 MARKS)**

- a) Discuss the benefits of applying ethical practices to a business organization.  
(10 Marks)
- b) Customers are core stakeholders in any business enterprise. Discuss their rights in a business setup.  
(10 Marks)

**QUESTION FIVE (20 MARKS)**

- a) Explain how management is the integration of men, money and materials in business.  
(10 Marks)
- b) Discuss the role of communication to the success of a business.  
(10 Marks)