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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2023/2024 ACADEMIC YEAR**  
**SECOND YEAR, FIRST SEMESTER EXAMINATION**  
**FOR THE DEGREE OF BACHELOR OF BUSINESS AND INFORMATION**  
**TECHNOLOGY**

Date: 8<sup>th</sup> August, 2023  
Time: 11.30am –1.30pm

**KBA 2205 - BUSINESS PLANNING AND MANAGEMENT**

**INSTRUCTIONS TO CANDIDATES**

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

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**QUESTION ONE (30 MARKS)**

**Read the case study below and answer the questions that follows;**

Koko Company Limited was incorporated and registered on 23<sup>rd</sup> June 2020. The company was registered with the main objective of selling household products in Kenya and Southern Sudan. At inception Mrs. Morine Mwembe was employed as the company's CEO. However the CEO had graduated from University of Nairobi with a degree in sociology and had no knowledge in business and therefore was not aware whether a business plan is important in Koko Company. Neither did she bother to develop the objectives of the company. Due to the Corona infection the company had very low sales in 2020. In 2021, company went to its knees since no marketing for the products was done. The CEO thought that the customers would automatically come to buy the products since the outlets for the company were very stocked. The Board of directors have advised Mrs. Morine Mwembe to conduct SWOT analysis, customer analysis and competitor analysis and then develop appropriate promotion and advertising strategies.

- a) Explain the reasons why Koko company should prepare a business plan. (6 marks)
- b) Examine why Koko company should develop organization objectives. (6 marks)
- c) You have been hired by Koko Company to conduct for them customer analysis. Explain the kind of customer characteristics your analysis is likely to reveal. (7 marks)
- d) Examine merits of a SWOT analysis. (5 marks)
- e) Advice Mrs. Morine Mwembe on possible promotion and advertising strategies. (6 marks)

### **QUESTION TWO (20 MARKS)**

- a) Explain any three ways for determining market size for a business plan. (6 marks)
- b) Examine the logical steps for developing an effective Business Plan. (8 marks)
- c) Explain the demerits of one man one business. (6 marks)

### **QUESTION THREE (20 MARKS)**

- a) Examine any three types of production which should be incorporated in the business plan. (6 marks)
- b) Explain the legal requirements for starting a business. (7 marks)
- c) Discuss the factors to consider when choosing a distribution strategy (7 marks)

### **QUESTION FOUR (20 MARKS)**

- a) The following information was obtained from the books of XYZ Retails for the year ended 31/12/2021
  - Debtors 60,000
  - Machinery and equipment 1,800,000
  - Creditors 120,000
  - Cash at bank 70,000
  - Bank overdraft 30,000
  - Cash at hand 20,000
  - Stock as at 31/12/2021 50,000
  - Furniture and fillings 200,000
  - Net income 160,000
  - Average share holders equity 2,000,000Required
  - i) Calculate working capital (2 marks)
  - ii) Return on assets (2 marks)
  - iii) Return on equity (2 marks)
- b) Discuss the potential risks faced by the business enterprises. (8 marks)
- c) Examine any six pre-operating expenses of a business. (6 marks)

### **QUESTION FIVE( 20 MARKS)**

- a) “Pricing Strategy is of critical importance in Business”. Explain any seven types of pricing (7 marks)
- b) Examine any seven ways to motivate employees. (7 marks)
- c) “Customer service strategy is of utmost importance in regard to customer retention”. Examine any three strategies for promoting customer service strategy. (6 marks)