



Kasarani Campus  
Off Thika Road  
Tel. 2042692 / 3  
P. O. Box 49274, 00100  
NAIROBI  
Westlands Campus  
Pamstech House  
Woodvale Grove  
Tel. 4442212  
Fax: 4444175

**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY  
UNIVERSITY EXAMINATION, 2022/2023 ACADEMIC YEAR  
THIRD YEAR, FIRST SEMESTER EXAMINATION F  
FOR THE DEGREE OF BACHELOR OF BUSINESS AND INFORMATION  
TECHNOLOGY**

**SPECIAL EXAMINATION**

Date: 8<sup>th</sup> December, 2022  
Time: 11.30am – 1.30pm

**KBA 2305 - BUSINESS ECONOMICS**

**INSTRUCTIONS TO CANDIDATES**

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

**QUESTION ONE (30 MARKS)**

- a) Explain three techniques of estimating demand that a manager can use to forecast his customers demand (6 Marks)
- b) Describe five factors that have led to the growth of globalization (5 Marks)
- c) State and explain components of skills required in marketing environment (6 Marks)
- d) Highlight the various features of a business project (5 Marks)
- e) Suppose the following information represent cash flows in different time periods from a project in which the cost of capital is 10%, calculate the NPV

YEAR	CASH FLOWS(Ksh)
0	(1000 000)
1	200 000
2	300 000
3	550 000

(8 Marks)

**QUESTION TWO (20 MARKS)**

- a) Explain any five features of business environment. (10 Marks)
- b) Generally, people consider a shilling tomorrow to be worth less than a shilling today and therefore calculate the present worthy of money to be received in the future using the relevant formula calculate the present worth (PW) of Ksh. 5 300 obtainable after 6 years given the rate of interest is 8% (6 Marks)
- c) Describe four advantages of Pay-back Period method (4 Marks)

**QUESTION THREE (20 MARKS)**

- a) Some fundamental principles, concepts or techniques help the management to take correct decisions. Describe the six fundamental principles used in Managerial Economics (10 Marks)
- b) Discuss five ways in which a business firm should be socially responsible to its employees (10 Marks)

**QUESTION FOUR (20 MARKS)**

- a) Define internationalization and explain five barriers to internationalization (10 Marks)
- b) Business economics can be differentiated from other disciplines given its unique features, state and explain five characteristics of business economics as a discipline (10Marks)

**QUESTION FIVE (20 MARKS)**

- a) Suppose you are employed by XYZ company as the managerial economist where you are required to make several decisions regarding the business activities, Explain the elements you would consider in making these decisions (10 Marks)
- b) There are various theories that help us understand profit, describe five such theories (10 Marks)