



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 WOMEN'S UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2024/2025 ACADEMIC YEAR
SECOND YEAR, SECOND SEMESTER EXAMINATION
FOR THE BACHELOR OF BUSINESS AND INFORMATION TECHNOLOGY
KBA 2205 BUSINESS PLANNING AND MANAGEMENT

Date: 13TH AUGUST 2024
Time: 2:30PM – 4:30PM

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

Read the following case study and answer the questions that follow.

Malanga Company Limited was registered in 2015 with Mwakisha as its first CEO. At inception the company started operating at a low note and has almost remained stagnant in regard to profit growth for the last seven years. For the period the company has remained in operation there is no trace of any planning document or any record of the company's objectives or any evidence of attempts to conduct advertising to enter the market to capture more clients. This could be the reason accounting for the stagnation of the company in regard to growth. The tenure of the Board of Directors who were appointed in 2015 when the company started expired in 2022. The new Board of Directors have challenged the CEO Mr. Mwakisha over the stagnation of the company's growth. The CEO has been directed to conduct the following analysis in pursuit to reverse the stagnation trend.

- SWOT analysis
- PESTEL analysis
- Customer analysis
- Competitive analysis

The board of directors have advised the CEO develop appropriate pricing and advertising strategies. The CEO has appointed four committees to conduct its own analysis and report their findings in two weeks' time. Each committee is expected to conduct one analysis

- a) Explain Mr. Mwakisha the importance of developing the business objectives **(6 marks)**
- b) Discuss the reasons why Mr. Mwakisha should conduct SWOT analysis **(6 marks)**
- c) Examine the characteristics of customers the customers analysis is likely to reveal. **(6 marks)**
- d) If you were hired by the company's CEO to prepare a business plan for the company, explain the key sections you will include in the company's business plan. **(6 marks)**
- e) Advise Mr. Mwakisha on any four common market entry strategies **(4 marks)**
- f) What do you understand by the term PESTEL analysis as used in the case study. **(2 marks)**

QUESTION TWO (20 MARKS)

- a) Examine the common mistakes found in business plan of many organizations. **(5 marks)**
- b) Discuss the guidelines of developing an effective business plan. **(8 marks)**
- c) Explain the reasons that account for the existence of a business opportunity **(7 marks)**

QUESTION THREE (20 MARKS)

- a) Discuss the potential risks faced by many business organizations. (8 marks)
- b) Examine any six ways of motivating employees (6 marks)
- c) Explain any six factors that should be considered when making a choice of distribution channel (strategy). (6 marks)

QUESTION FOUR (20 MARKS)

- a) Customer service strategy is of critical importance in regard to handling customer interactions. Discuss any four customer service strategies which will promote consistent customer experience throughout the customer journey. (8 marks)
- b) Examine the basic functions of management. (5 marks)
- c) Explain the benefits of organizational structure (7 marks)

QUESTION FIVE (20 MARKS)

- a) Using suitable diagram explain the following terms.
 - i. Fixed cost (2 marks)
 - ii. Variable cost (2 marks)
 - iii. Semi variable cost (2 marks)
- b) The following information was obtained from the financial records of ABC company limited as 31/12/2021

| | |
|-------------------------------|-----------|
| Motor vehicles | 300,000 |
| Furniture and fittings | 90,000 |
| Creditors | 100,000 |
| Debtors | 80,000 |
| Cash at hand | 10,000 |
| Stock | 50,000 |
| Bank overdraft | 150,000 |
| Net Profit for the year | 200,000 |
| Accrued expenses | 30,000 |
| Prepaid expenses | 20,000 |
| Average share holders' equity | 1,000,000 |

Required

- i. Return on assets (2 marks)
- ii. Return on equity (2 marks)
- iii. Working capital (2 marks)
- c) Discuss any six merits of partnership as a form of business organization (8 marks)