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KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2023/2024 ACADEMIC YEAR
FIRST YEAR, FIRST SEMESTER EXAMINATION
FOR THE DEGREE OF BACHELOR OF SCIENCE
(BUSINESS ADMINISTRATION)

Date: 17th April, 2023
Time: 2.30pm –4.30pm

KBA 101 - INTRODUCTION TO BUSINESS

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

SETTING UP BUSINESS IN KENYA

Mary and Mutheu were analyzing issues that they would have to look into so as to set up a business back home in Kenya after their studies in Australia. A friend gave them an insight indicating the challenges to expect as stated herein. Every business revolves around money. There are different areas where businesses have to spend their money. But the issue is handling the financial hurdles. With an unplanned budget and financial advice, businesses will be spending more than they need to. Keeping an eye on expenses is important because the expenses determine the profit the business will make. However, it is not easy to reduce the expense. It's affected by demand and supply. If businesses need to keep up with the market's demands, then the chance of increasing expenses is 100%. Businesses do not run themselves. They need manpower with skills to handle different departments. Generally, the number of employees in a small business ranges from 1 to 500 people. Getting this manpower is easy but getting a skilled one is difficult and time-consuming.

Whenever looking for manpower, businesses need to decide what skills they want in their candidate. The problem is candidates can't always fulfill all the requirements. Besides, hiring manpower also increases the expenses. The market is fluid. It changes and introduces new trends. Small businesses need to keep up with the changing trends to keep their business growing. But this is where many businesses start to fall apart. The thing about new trends is that businesses need to sell their products at the right time. It means they have to keep on studying the market to speculate their next products. If a small business fails to deliver during the peak of the trend, then it will suffer a heavy loss.

- a) Outline any five macro factors and their influence on a business environment organizations have social responsibility to their stakeholders. (5 Marks)
- b) Identify five stakeholders of a business organization and give ways in which the real estate companies are socially responsible to them. (5 Marks)

- c) A business has various objectives it seeks to pursue. Identify and explain these objectives. (5 Marks)
- d) The sustainability of a business could be affected by the process of control. List the principles of control. (5 Marks)
- e) Highlight the promotion techniques that real estate companies can use to market their business. (5 Marks)
- f) Identify the emerging trends and issues that may affect real estate business entrants. (5 Marks)

QUESTION TWO (20 MARKS)

- a) Explain four factors influencing pricing decisions of a product or service in a business. (8 Marks)
- b) Discuss the four factors that an entrepreneur needs to consider before starting a business in Kenya. (8 Marks)
- c) A friend running sole proprietorship is seeking more capital for his business. Advise him on the sources of finance he can consider. (4 Marks)

QUESTION THREE (20 MARKS)

- a) Describe the process of product life cycle in marketing environment. (8 Marks)
- b) With relevant examples explain the advantages of franchising. (8 Marks)
- c) Distinguish between formal and informal organization. (4 Marks)

QUESTION FOUR (20 MARKS)

- a) Explain the advantages of a partnership form of business. (8 Marks)
- b) Explain the criteria of differentiating an ethical business from an unethical one. (4 Marks)
- c) Discuss the factors of production and their contribution in the modern business environment. (8 Marks)

QUESTION FIVE (20 MARKS)

- a) Small businesses are vital to any economy. Using examples, discuss the importance of small businesses. (8 Marks)
- b) Enumerate and explain any five principles of cooperative societies. (8 Marks)
- c) Explain the importance of debentures to a business. (4 Marks)