



GRETSA UNIVERSITY - THIKA

UNIVERSITY EXAMINATIONS MAY - AUGUST 2018 SEMESTER

BACHELOR OF COMMERCE

COURSE CODE: BCBA 100

COURSE TITLE: INTRODUCTION TO BUSINESS

DATE: 6 AUGUST 2018

TIME: 3.00 PM – 6.00 PM

INSTRUCTIONS TO CANDIDATES

1. SECTION A IS **COMPULSORY**.
2. SECTION B: ANSWER ANY OTHER **THREE** QUESTIONS.
3. **DO NOT** WRITE ANYTHING ON THIS QUESTION PAPER AS IT WILL BE AN EXAM IRREGULARITY.
4. ALL ROUGH WORK SHOULD BE AT THE BACK OF YOUR ANSWER BOOKLET AND CROSSED OUT.

CAUTION: *All exam rooms are under CCTV surveillance during the examination period.*

SECTION A: COMPULSORY

Question One

- a) Business entities are of different types and sizes. Explain the main difference between a sole trader and a partnership. **[10 marks]**
- b) Mr Obuya and Mr. Michael are trading independently. They are intending to convert their business into an ordinary partnership. What advantages will partnership have? **[15 marks]**
- c) Business is all around us. It has a role to play in every aspect of our lives. Every activity of human being involves business to satisfy his unlimited wants and desires. Explain the main six objectives of a business **[12marks]**
- d) Explain ways in which business interacts with the society. **[3Marks]**

SECTION B: ANSWER ANY THREE QUESTIONS

Question Two

- a) All business need profits for their smooth running and survival. Discuss this arguments presented in favor of profit motive. **[10 marks]**
- b) Explain advantages and disadvantage of government intervention in business. **[10 marks]**

Question three

- a) Business Environment means a collection of all individuals, entities and other factors, which may or may not be under the control of the organisation, but can affect its performance, profitability, growth and even survival. It is further classified into internal and external environment. Explain the composition of each of these types of environment. **[14 marks]**
- b) Differentiate between public limited company and private limited company. **[6 marks]**

Question Four

- a) Multinationals extend their business operation to two or more countries. What are the challenges facing multinationals? **[10 marks]**
- b) Most businesses begin with capital contributed by the owners. Sometimes these owners funding is not enough and therefore for survival and other financial obligations, the

business firms borrow money. Explain five sources of business finance. **[10 marks]**

Question five

- a) All businesses must do more than seek strong profit margins for success; being socially responsible is part of business survival in today's economy. Companies should take a stance on important social issues to build a brand that consumers trust and respect. Explain the four main types of Corporate Social Responsibility. **[12 marks]**
- b) A public corporation is an entity owned and operated by a government. Explain three disadvantages of a public corporation. **[8 marks]**