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UNIVERSITY EXAMINATIONS

2012/ 2013 ACADEMIC YEAR

1ST YEAR, 1ST SEMESTER EXAMINATIONS

(SPECIAL / SUPPLEMENTARY)

**FOR THE DEGREE OF BACHELOR OF EDUCATION AND SOCIAL SCIENCES
(FESS)**

COURSE CODE: BBM 101

COURSE TITLE: INTRODUCTION TO BUSINESS STUDIES

DATE:

TIME:

INSTRUCTIONS

Section A is compulsory. Answer any THREE questions from Section B

SECTION A (25) COMPULSORY

Answer all questions in this section

- Q1. Outline **FOUR** elements that constitute the internal environment of a business. (4 marks)
- Q2. Explain **FOUR** advantages of divisional structure. (6 marks)
- Q3. Explain **FIVE** ways through which managers can improve ethical behaviour in their organizations (5 marks)
- Q4. Explain **FIVE** negative contributions of multinational corporations (MNCs) to Kenya's economy. (10 marks)

SECTION B

Answer any **THREE** questions from this section.

- Q5. (a) Explain the following terms used on the stock market:-
- (i) Bull (1mark)
 - (ii) Bear (2 marks)
 - (iii) Stag (2 marks)
- (b) Explain **FIVE** advantages which accrue to a company quoted on the stock exchange. (10 marks)
- Q6. (a) Explain **FIVE** similarities between ordinary and preference share capital. (10 marks)
- (b) Highlight **FIVE** sources of debt finance. (5 marks)
- Q7. (a) Mention and explain **FIVE** pricing strategies. (10 marks)
- (b) Explain the relationship between planning and controlling. (5 marks)
- Q8. (a) Direction function is said to be the heart of management of process and central in the accomplishment of goals. Explain **FIVE** ways in which direction function is essential. (10 marks)
- (b) State the order in which employee selection takes place. (5 marks)
- Q9. (a) Define matrix structure and explain its three disadvantages. (7 marks)
- (b) Explain the following types of mergers:-
- (i) Horizontal merger
 - (ii) Vertical merge
 - (iii) Cogeneric
 - (iv) Conglomerates (8 marks)