



# MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

FOURTH YEAR FIRST SEMESTER EXAMINATION FOR

BACHELOR OF COMMERCE

BBA 414: MANGEMENT OF PUBLIC ENTERPRISES

DATE: 22/10/2020

TIME: 11:00 – 1:00 PM

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## INSTRUCTIONS:

Answer Question One and Any Other Two Questions.

### QUESTION ONE (COMPULSORY) (30 MARKS)

- a) The basic rationale for the establishment of public enterprise is to gain control over the key sector of the economy. Justify this statement giving appropriate examples. (10 marks)
- b) Balancing of control versus autonomy in public has become a major issue of concern. Discuss five ways in which the public enterprises can strike a balance between the two aspects. (10 marks)
- c) There are two contrasting views that can be considered in the management of both private and public sector enterprises. Critique this statement. (10 marks)

### QUESTION TWO (20 MARKS)

- a) The management of public enterprises has presented unresolved problems concerning their role and scope of their effectiveness and efficiency. In the light of changing circumstances, analyze this statement with reference to the problems encountered. (10 marks)
- b) Structural adjustments programmes (SAPs) is one of the reforms meant to improve the functioning of the economies of the developing countries
  - i) Briefly explain its rationale. (3 marks)
  - ii) Criticisms associated with SAPs. (3 marks)
  - iii) State four actions required by the SAPs in any affected country. (4 marks)

### **QUESTION THREE (20 MARKS)**

- a) The concept of privatization is aimed at removing the paralyzing grip of state control of the parastatals. Hypothesize this statement making reference to;
- i) Four features the government should consider for effective privatization. (4 marks)
  - ii) Discuss four modes of privatization. (8 marks)
- b) In order to minimize competition among organizations, cartels were introduced. Do you justify their existence. (8 marks)

### **QUESTION FOUR (20 MARKS)**

- a) The marketing boards are formed under the state corporations act and managed by board of directors. With reference to this;
- i) Enumerate two examples of marketing boards in Kenya. (2 marks)
  - ii) Discuss three classification of boards. (6 marks)
  - iii) Describe three functions of the boards. (6 marks)
- b) Public enterprises tend to be versatile and autonomous. Justify this statement giving three appropriate examples. (6 marks)

### **QUESTION FIVE (20 MARKS)**

- a) There have been three classifications of PE's since independence. Provide such classifications giving two examples under each. (6 marks)
- b) Compare and contrast the following forms of control of public enterprises.  
Legislative control and political/ ministerial control. (4 marks)
- c) Equally important is the recruitment of the right candidates for the top managerial and professional positions. Provide three important considerations in this exercise. (6 marks)
- d) Assess the benefits of the development boards in Kenya with reference to their aim of developing the country. (4 marks)