



MACHAKOS UNIVERSITY

University Examinations for 2021/2022 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

SECOND YEAR FIRST YEAR SECOND SEMESTER EXAMINATION FOR

BACHELOR OF EDUCATION

BBA 100 BUSINESS STUDIES

DATE: 15/12/2021

TIME: 11.00-1.00 PM

INSTRUCTIONS

Answer Question One and Any Other Two Questions

QUESTION ONE (30 MARKS)

Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable to itself, its stakeholders, and the public. By practicing corporate social responsibility, also called corporate citizenship, companies can be conscious of the kind of impact they are having on all aspects of society, including economic, social, and environmental. To engage in CSR means that, in the ordinary course of business, a company is operating in ways that enhance society and the environment, instead of contributing negatively to them.

According to many management theorists, four basic management functions exist. Directing is an essential function in any enterprise. In fact, directing helps managers ensure quality performance and achieve the organization's goals.

A foreign company registered outside Kenya wishing to do business in Kenya may either register a branch office or a subsidiary in Kenya. A subsidiary is considered a local company with compliance requirements similar to those of local companies owned by locals. A branch office on the other hand is unique and is considered a foreign company

When a company establishes itself, it may need access to much larger amounts of capital than it can get from ongoing operations or a traditional bank loan. It can do so by selling shares to the public through an initial public offering (IPO). This changes the status of the company from a private firm whose shares are held by a few shareholders to a publicly traded company whose shares will be held by numerous members of the general public. The IPO also offers early investors in the company an opportunity to cash out part of their stake, often reaping very handsome rewards in the process.

In light of the above information, answer the following questions.

- a) Giving examples, Explain the meaning of corporate social responsibly (4 marks)
- b) Explain the elements of direction in management functions (4 marks)
- c) Foreign companies are identified by their large size and their worldwide activities. Describe the activities that the foreign companies are involved in. (10 marks)
- d) Identify ways in which stock exchange markets help in raising capital for businesses. (6 marks)
- e) Social responsibility is a duty every organization needs to perform so as to maintain a balance between the economy and the ecosystems.

Analyze some common areas of concern which an organization can consider for social responsibility. (6 marks)

QUESTION TWO (20 MARKS)

- a) Delegation of authority is the base of superior-subordinate relationship. Discuss the steps involved in delegation. (6 marks)
- b) Analyze the criteria used to classify sources of business finance (12 marks)

QUESTION THREE (20 MARKS)

- a) Describe the types of jobbers in stock exchange (6 marks)
- b) Some people argue that quotation of a company comes with some disadvantage which out- ways the advantages. Discuss the disadvantages of quotation in a company. (14 marks)

QUESTION FOUR (20 MARKS)

- a) By use of relevant examples explain the meaning of Listing Requirements. (4 marks)
- b) Increasingly, stock exchanges are part of a global securities market. Explain the role of Stock exchanges in the economy. (16 marks)

QUESTION FIVE (20 MARKS)

- a) Discuss the main characteristics of foreign companies operating in Kenya. (10 marks)
- b) Explain the major management functions (10 marks)