



# MACHAKOS UNIVERSITY

University Examinations for 2021/2022 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

FIRST YEAR FIRST SEMESTER EXAMINATION FOR

BACHELOR OF COMMERCE

BBA100: BUSINESS STUDIES

**DATE: 2/2/2022**

**TIME: 2:00 – 4:00 PM**

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**INSTRUCTIONS:** Answer Question ONE and any other TWO Questions.

## QUESTION ONE (COMPULSORY) (30 MARKS)

- Explain how, as a business person, you would use Michael Porter's five forces model to analyze your competition. (10 marks)
- Every business is required to achieve a number of objectives as set by the government, explain **five** national objectives that any business should endeavor to achieve. (10 marks)
- Product pricing is one of the production functions. Describe any **three** strategies used by organizations in deciding the prices for their products. (6 marks)
- Describe any **two** ways in which selling of products may take place. (4 marks)

## QUESTION TWO (20 MARKS)

A graduate in your school wants to start a manufacturing business. He is struggling to raise the capital and has requested for your assistance.

- Explain to him **five** sources of business finance based on **internal source of generation**. (10 marks)
- Your company is considering placing its securities in the stock exchange market. Explain **five** requirements that it must fulfil before being allowed to participate in this market. (10 marks)

### QUESTION THREE (20 MARKS)

- a) Co-operative society is a type of business organization in which members organization make effort to achieve a common object. In light of this, the international co-operative alliance have encouraged co-operative to follow the laid down co-operative principles. Discuss **five** co-operative principles as laid down by international co-operative alliance. (10 marks)
- b) Marketing is the creation of value for customers and building a strong customer relationship in order to capture value from customers in return. Explain **five** steps involved in this process. (10 marks)

### QUESTION FOUR (20 MARKS)

- a) A socially responsible firm engages itself in various areas of responsibility. Explain **five** activities that the firm engages into as part of social responsibility towards customers and society. (10 marks)
- b) Articles of Association is one of the documents required in registering a limited company. Describe the content of this document. (10 marks)

### QUESTION FIVE (20 MARKS)

- a) After graduating your friends want to start a business but cannot agree on the form of business ownership to adopt. They consult you for help. Explain to them **five** factors to consider when deciding on the form of business to start. (10 marks)
- b) Describe **five** characteristics of process production system. (10 marks)