

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

**EXAMINATION FOR THE AWARD OF CERTIFICATE IN BUSINESS
MANAGEMENT AND PROCUREMENT AND LOGISTICS MANAGEMENT**

CIBM 00111: INTRODUCTION TO BUSINESS MANAGEMENT

STREAMS: CIBM Y1S1

TIME: 2 HOURS

DAY/DATE: MONDAY 22/03/2021

11.30 A.M. – 1.30 P.M.

INSTRUCTIONS:

- **Answer questions 1 (one) and any other two questions.**
- **Do not write on the question paper.**

- (a) A business operates within an environment and must interact with the environment to survive. Explain the elements that make up the external environment giving practical examples of how they affect businesses from the Kenyan scenario. (20 marks)
 - (b) Expound on any five features that characterize sole proprietorship form of business undertaking. (10 marks)
 - (c) Explain the meaning of staffing outlining activities/steps involved in this function of management. (10 marks)
- (a) Expound on the steps involved in the formation of a company. (10 marks)
 - (b) Identify five benefits of leadership in business management and types of leadership styles that can be adopted in management. (10 marks)
- (a) Partnership is formed under different circumstances. Explain any three circumstances under which it can be formed. (6 marks)
 - (b) Expound on capitalist economic system outlining its advantages and disadvantages. (10 marks)
 - (c) Outline the distinguishing features between a centralized and decentralized organization. (4 marks)

4. (a) Business has an obligation to be socially responsible to various parties in the society. The parties define the areas where the business is expected to be socially responsible. Identify any five parties showing how a business can be socially responsible to them. (10 marks)
- (b) An organization has different functional areas that managers need to manage. Explain any four functional areas of management showing their relevance to the organization. (10 marks)
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