

CHUKA



UNIVERSITY

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**UNIVERSITY EXAMINATIONS**

**FIRST YEAR EXAMINATION FOR THE AWARD OF DEGREE OF  
BACHELOR OF ENTREPRENEURSHIP AND ENTERPRISE MANAGEMENT**

**BEEM 121: INTRODUCTION TO BUSINESS MANAGEMENT**

**STREAMS: BEEM YISI**

**TIME: 2 HOURS**

**DAY/DATE: MONDAY 10/12/2018**

**11.30 AM - 1.30 PM**

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**INSTRUCTIONS:**

- **Answer Question 1 (One) and any other Two Questions**
- **Marks will be awarded for clarity and originality of ideas**
- **Do not write on the question paper**

**Questions:**

1. Nyama Ltd, a company that operates in the meat industry has been facing very dire circumstances with more and more customers demanding for halal products. Pork products have been the company's fastest moving products and the owners are worried that provision of halal products will lead to a downturn in their business since they cannot sell pork products anymore.

- (a) Business can be such a headache to run. Why do people find it necessary to have businesses in society? [10 marks]
- (b) Joint ventures are becoming common as business objectives continue to expand. Explain the reasons why businesses may find it useful to form joint ventures and the advantages Nyama Ltd can derive from entering into a joint venture. [10 marks]
- (c) How can Nyama Ltd benefit from the aids to trade? [5 marks]

(d) Nyama Ltd needs to be socially responsible. Briefly explain the factors that will determine how socially responsible the business will be. [5 marks]

2. (a) Write short notes on the following terminologies

- (i) Quasi partner [2 marks]
- (ii) Nominal partner [2 marks]
- (iii) Deed of agreement [2 marks]
- (iv) Common seal [2 marks]
- (v) Unlimited liability [2 marks]

(b) Distinguish between capital markets and money markets and explain the concept of financial markets efficiency showing the levels of efficiency. [10 marks]

3. (a) With all the activities that need to be performed in a business, departments are usually very key to ensure coordination of efforts. Explain any five functional areas that you would expect to find in a manufacturing set up. [10 marks]

(b) 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 business from the Kenyan scenario. [10 marks]

4. (a) Your friends want to register a company. They have been advised to prepare their articles of association and memorandum of association. However, they are not sure what these documents are. Discuss the contents of the memorandum of association. [10 marks]

(b) Giving practical illustrations from businesses around you or practical business scenarios, show why controlling is important. [10 marks]

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