

CHUKA



UNIVERSITY

## UNIVERSITY EXAMINATIONS

### SECOND YEAR EXAMINATION FOR THE AWARD OF DIPLOMA IN PROCUREMENT AND LOGISTICS MANAGEMENT

**DPLM 0214: FOUNDATIONS OF MANAGEMENT IN PROCUREMENT**

**STREAMS: DPLM (Y2S1)**

**TIME: 2 HOURS**

**DAY/DATE: WEDNESDAY 07/8/2019**

**11.30 A.M. – 1.30 P.M.**

**INSTRUCTIONS: ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS**

#### QUESTION ONE

- (a) Discuss the importance of business to an economy. [8 marks]
- (b) Discuss the following forms of business organizations stating their advantages and disadvantages of each
  - (i) Sole proprietorship [5 marks]
  - (ii) Partnership [5 marks]
  - (iii) Common stock companies [5 marks]
- (c) State and explain the functions of management [7 marks]

#### QUESTION TWO

- (a) “Businesses cannot exist in a vacuum. They keep on interacting with their environments”. In light of the above statement, discuss the business environments. [12 marks]
- (b) Explain the factors that influence the location of a business enterprise. [8 marks]

**QUESTION THREE**

- (a) Discuss the merits and demerits and internal recruitment. [10 marks]
- (b) State and explain the three types of remuneration. [4 marks]
- (c) Discuss the steps followed by an organization in the recruitment process. [6 marks]

**QUESTION FOUR**

- (a) Explain any seven principles of management as proposed by Henri Fayol in scientific management. [14 marks]
  - (b) Highlight any four sources of finance available in financing a business enterprise. [6 marks]
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