

**CHUKA**



**UNIVERSITY**

**UNIVERSITY EXAMINATIONS**

**FOURTH YEAR EXAMINATION FOR THE AWARD OF DEGREE  
OF BACHELOR OF ENTREPRENEURSHIP AND SMALL BUSINESS  
MANAGEMENT**

**BENS 400: FAMILY BUSINESS MANAGEMENT**

**STREAMS: BENS (Y4S1)**

**TIME: 2 HOURS**

**DAY/DATE: TUESDAY 05/12/2017**

**2.30 P.M. – 4.30 P.M.**

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

**QUESTION ONE**

Your local county has invited you to facilitate a seminar on “The role of family enterprises in income generation”. Discuss the contents of your presentation under the following:

- (a) Weaknesses of family businesses [7 marks]
- (b) Influence of founder on corporate culture and decisions [10 marks]
- (c) Components of a family constitution [7 marks]
- (d) Major financial challenges [6 marks]

**QUESTION TWO**

Discuss the functions of the following family business management governance institutions

- (a) Family council [10 marks]
- (b) Board of directors [10 marks]

**QUESTION THREE**

- (a) Discuss the various corporate governance challenges during the three stages of family business development. [15 marks]
- (b) Suggest ways in which conflicts can be resolved in family owned enterprises.[5 marks]

**QUESTION FOUR**

- (a) With the aid of a diagram, explain how the systems theory can be used to explain the subsystems of family business. [10 marks]
- (b) Explain the major human resource challenges in family owned enterprises. [10 marks]

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**QUESTION FIVE**

- (a) How can professionalism be maintained in family enterprises. [10 marks]
- (b) Discuss the major components of succession planning in family businesses.[10 marks]
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