

**CHUKA**



**UNIVERSITY**

**UNIVERSITY EXAMINATIONS**

**FIRST YEAR EXAMINATION FOR THE AWARD OF DEGREE  
OF BACHELOR OF EDUCATION (ARTS) & BACHELOR OF ENTREPRENEURSHIP  
AND ENTERPRISE MANAGEMENT**

**BUST 111/BEEM 121: INTRODUCTION TO BUSINESS MANAGEMENT**

**STREAMS: BUST/BEEM**

**TIME: 2 HOURS**

**DAY/DATE: WEDNESDAY 06/12/2017**

**11.30 A.M. – 1.30 P.M.**

---

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

**QUESTION ONE**

- (a) A business is said to be an economic activity even though it gives back to the society by creating employment and putting up development projects for society. Justify. [5 marks]
- (b) Describe any 4 services that assist in the smooth exchange of goods and services. [8 marks]
- (c) Describe any challenges facing the institutions used to channel funds from those with surplus to those who don't have. [8 marks]
- (d) Outline the principle of cooperatives. [4 marks]
- (e) A partnership form of business is better than a sole proprietorship. Justify this statement. [5 marks]

**QUESTION TWO**

- (a) Clearly explain the process of formation of a company. [8 marks]
- (b) There are certain factors in an organizations immediate areas that affect its performance and operations identify and explain any 5 of these factors. [10 marks]
- (c) Describe the primary market. [2 marks]

**QUESTION THREE**

- (a) Describe the different ways in which countries can allocate their resources and goods and services. [6 marks]
- (b) Describe the various arguments for and against social responsibility. [10 marks]
- (c) Explain advantages of a company being quoted at the NSE. [4 marks]

**QUESTION FOUR**

- (a) Describe the various functions of management. [10 marks]
  - (b) Describe the duties involved in employing and maintaining employees in a business setup. [6 marks]
  - (c) Describe any 2 challenges faced by a financial institution. [4 marks]
-