

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

RESIT/SPECIAL EXAMINATION

**EXAMINATION FOR THE AWARD OF CERTIFICATE IN BUSINESS
MANAGEMENT**

CIBM 00111: INTRODUCTION TO BUSINESS

STREAMS: CERT. BUSINESS MANAGEMENT

TIME: 2 HOURS

DAY/DATE: TUESDAY 24/07/2018

8.30 A.M. – 10.30 A.M.

INSTRUCTIONS:

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

QUESTION I

- (a) Define the terms business and explain any five objectives of a business. (6 marks)
- (b) A company is formed under the provisions for the formation of a company found in chapter 486 of the company's Act. Discuss the stages of forming a company. (10 marks)
- (c) Distinguish between capitalist economic system and socialism economic system giving at least three pros and cons of each system. (10 marks)
- (d) Define the following terms;
- (i) Franchising (2 marks)
 - (ii) Corporate social responsibility. (2 marks)

QUESTION 2

- (a) Explain the internal environment giving practical examples how internal elements affect businesses from your countries scenario. (10 marks)
- (b) Discuss any five functional areas of management. (10 marks)

QUESTION 3

- (a) A financial market is a system that links the buyers and sellers of money and is divided into money market and capital market. Distinguish between the two types of financial market and highlight the importance of capital markets. (10 marks)
- (b) A partnership can be dissolved in various circumstances. Explain any five circumstances which can lead to dissolution of a partnership. (10 marks)

QUESTION 4

- (a) Business exist in an environment called society with which it should interact to acquire its inputs. Explain any five parties to whom the business should be socially responsible. (10 marks)
- (b) Show why planning is important in a business and the process one should follow in planning. (10 marks)
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