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CHUKA



UNIVERSITY

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**UNIVERSITY EXAMINATIONS**

**CHUKA, EMBU & THARAKA CAMPUSES**

**FIRST YEAR EXAMINATION FOR THE AWARD OF CERTIFICATE IN BUSINESS  
MANAGEMENT AND PROCUREMENT AND LOGISTICS MANAGEMENT**

**CIBM 00111: INTRODUCTION TO BUSINESS**

**STREAMS: CERT Y1S1**

**TIME: 2 HOURS**

**DAY/DATE: MONDAY 6/08/2018**

**2.30 P.M - 4.30 A.M.**

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**INSTRUCTIONS:**

- **Answer Question ONE and any other TWO Questions.**
- **Marks will be awarded for clarity and originality of ideas**
- **Do not write on the question paper**

**QUESTION ONE**

- (a) Partnerships can be formed under various circumstances. Explain any three forms of partnership. [6 Marks]
- (b) Distinguish between capitalist economic system and socialism economic system. [6 Marks]
- (c) Explain any four characteristics of a business. [8 Marks]
- (d) Discuss any five characteristics of a joint stock company. [10 Marks]

**QUESTION TWO**

- (a) Explain any four (4) functions of money markets. [8 Marks]
- (b) A business does not operate on a closed system. This implies that it must interact with various factors within its surrounding. Explain three external and three internal elements giving practical examples of how they affect business. [12 Marks]

**QUESTION THREE**

- (a) Describe the process adopted in formation of a Company as provided in the Company's Act Chapter 486. [10 Marks]
- (b) In any organization there are five fundamental functions of management. Discuss. [10 Mars]

**QUESTION FOUR**

- (a) Explain any five advantages of a mixed economic system. [5 Marks]
- (b) Describe any four clauses of memorandum of association. [8 Marks]
- (c) (i) Define the term auxiliaries to trade. [2 Marks]  
(ii) Highlight any five aids to trade. [5 Marks]
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