

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

EXAMINATION FOR THE AWARD OF DIPLOMA IN PROCUREMENT AND LOGISTICS MANAGEMENT AND BUSINESS MANAGEMENT

DIBM 0111: INTRODUCTION TO BUSINESS

STREAMS: DIP. PLM& BM Y1S1

TIME: 2 HOURS

DAY/DATE: TUESDAY 07/08/2018

8.30 A.M. – 10.30 A.M.

INSTRUCTIONS:

- **Answer questions 1 (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) Define economic activity and explain any three categories of economic activities. (6 marks)
- (b) Explain any four characteristics of partnership form of business. (8 marks)
- (c) There are five basic functions of management. Discuss this statement. (10 marks)
- (d) Define the following terms:
- (i) Sole proprietor (1 mark)
 - (ii) Commerce (2 marks)
 - (iii) Common seal (2 marks)
 - (iv) Promoters (1 mark)

QUESTION TWO

- (a) Describe the clauses of memorandum of Association. (10 marks)
- (b) Distinguish between public limited company and private limited company. (10 marks)

QUESTION THREE

- (a) Discuss the two types of financial markets giving any three functions of each type. (10 marks)
- (b) A business operates within an environment and must interact with the environment to survive. Explain any five elements that make up the internal environment giving practical examples of how they affect business from a Kenyan scenario. (10 marks)

QUESTION FOUR

- (a) Briefly explain any three functional areas of management. (6 marks)
 - (b) Business has an obligation to be socially responsible to various parties in the society. Discuss this statement. (10 marks)
 - (c) Highlight any four documents that promoters have to present before the registrar of companies at the incorporation stage. (4 marks)
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