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CHUKA



UNIVERSITY

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**SUPPLEMENTARY / SPECIAL EXAMINATIONS**

**FOURTH YEAR EXAMINATION FOR THE AWARD OF BACHELOR  
OF COMMERCE**

**BCOM 101: INTRODUCTION TO BUSINESS**

**STREAMS:**

**TIME: 2**

**HOURS**

**DAY/DATE: WEDNESDAY 18/11/2020**

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

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**INSTRUCTIONS:**

1. Answer questions 1 (one) and any other two questions
2. Marks will be awarded for clarity and originality of ideas
3. Do not write on the question paper

**QUESTIONS**

1.
  - a) Business can be such a headache to run. Why do people find it necessary to have businesses in society? (10 marks)
  - b) Joint ventures are becoming common as business objectives continue to expand. Explain the reasons why businesses may find it useful to form joint ventures and the disadvantages that businesses can derive from entering into a joint venture (10 marks)
  - c) Discuss the aids to trade showing how a business can benefit from the aids to trade (10 marks)
2.
  - a) Write short notes on the following terminologies
    - i. Quasi partner (2 marks)
    - ii. Nominal partner (2 marks)
    - iii. Deed of agreement (2 marks)
    - iv. Common seal (2 marks)
    - v. Unlimited liability (2 marks)

b) Distinguish between capital markets and money markets. (10 marks)

3.

a) With all the activities that need to be performed in a business, departments are usually very key to ensure coordination of efforts. Explain any five functional areas that you would expect to find in a manufacturing set up. (10 marks)

b) A business operates within an environment and must interact with the environment to survive. Explain the elements that make up the external environment giving practical examples of how they affect businesses from the Kenyan scenario (10 marks)

4.

a) Your friends want to register a company. They have been advised to prepare their articles of association and memorandum of association. However they are not sure what these documents are. Discuss the contents of the memorandum of association. (10 marks)

b) Discuss any five arguments against social responsibility (10 marks)

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