

CHUKA



UNIVERSITY

**UNIVERSITY EXAMINATIONS**

**O DEL**

**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF COMMERCE  
BCOM 101: INTRODUCTION TO BUSINESS**

**STREAMS: BCOM Y1S1**

**TIME: 2 HOURS**

**DAY/DATE: TUESDAY 30/03/2021**

**2.30 P.M – 4.30 P.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) Business can be such a headache to run and in some cases they are seen as being destructive to the social welfare of people. 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 business 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]

## QUESTION TWO

- (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) Company limited by guarantee [2 marks]
  - (v) Unlimited liability [2 marks]
- (b) Explain a debenture in detail and distinguish between capital markets and money markets. [10 marks]

## QUESTION THREE

- (a) The chairman of the teachers' savings and cooperative society (SACCO) in your area has approached you for assistance regarding how to professionalize the SACCO. You believe he should start by setting up the human resources department while he is not sure. Justify why a human resources department is crucial in the SACCO. [10 marks]
- (b) While many organizations engage in corporate social responsibility, some managers believe it is counterproductive. Discuss any five arguments against social responsibility. [10 marks]

## QUESTION FOUR

- (a) A business operates within an environment and must interact with the environment to survive. Explain the elements that make up the cultural environment giving practical examples of how they affect businesses from the Kenyan scenario.
- (b) Your friends want to register a company. They have been advised to separate their articles of association and memorandum 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]

