



MACHAKOS UNIVERSITY

University Examinations for 2020/2021 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

FIRST YEAR SPECIAL/ SUPPLEMENTARY EXAMINATION FOR

BACHELOR OF COMMERCE

BBA100: BUSINESS STUDIES

DATE: 26/3/2021

TIME: 8.30-10.30 AM

INSTRUCTIONS:

Answer Question ONE and any other TWO Questions.

QUESTION ONE (30 MARKS)

Uchumi Supermarkets Limited, referred to simply as uchumi is one of the Kenya's oldest and strongest brands. The name means economy in Swahili. In 1990's it spearheaded hypermarkets concept in Kenya by accommodating ordinary customers with products like fresh vegetables retailing at the same price like open markets. There were Christmas sales and the objective was to create marketing outlets for equitable distribution of commodities provided using a high-level production methods.

Uchumi entered into a management contract with Standa in Italy. Standa a leading supermarket group with presence in Europe and vast retail experience was given the task of staffing the organization and keeping it manned to provide personnel to take over running of Uchumi. However, in the early 2000 Uchumi started to experience financial and operational difficulties occasioned by unwise decisions by the old board. It was forced to look for small business financing option to offset some deficits.

- a) Explain **five** marketing orientations used by uchumi in satisfying its customer demand. (10 marks)
- b) In operating uchumi, Standa was tasked with staffing the organization and keeping it manned. Explain the steps used by Standa in staffing (10 marks)
- c) Discuss **five** Traditional small business-financing options available for Uchumi. (10 marks)

QUESTION TWO (20 MARKS)

A graduate in your school wants to start a manufacturing business. He is struggling to raise the capital and request for your assistance.

- a) Explain to him **five** sources of business finance. (10 marks)
- b) Explain **five** role of stock exchange markets to the economy. (8 marks)

QUESTION THREE (20 MARKS)

The government has encouraged graduates to start business instead of relying on white color jobs. A group of youth wants to start a multi – national company.

- a) Describe **five** characteristics of foreign companies operating in Kenya (10 marks)
- b) Explain five sources of recruitment available to any firm. (10 marks)

QUESTION FOUR (20 MARKS)

Your classmate came to class late and missed the lesson on Corporate Social Responsibility. She has consulted you for help.

- a) Explain some areas in which a business can involve itself in corporate social responsibility. (10 marks)
- b) Explain the advantages that accrue to an organization because of involving itself in corporate social responsibility (10 marks)

QUESTION FIVE (20 MARKS)

The scholars argue that, for theoretical purposes, it may be convenient to separate the functions of management from each other but practically these functions are overlapping in nature. To understand this point,

- a) Identify the functions of management and briefly explain what each entails. (10 marks)
- b) After graduating your friends want to start a business but cannot agree on the form of business ownership to adopt. They consult you for help.

Explain the factors to consider when deciding on the form of business ownership to start.

(10 marks)