MACHAKOS UNIVERSITY

University Examinations for 2022/2023 Academic Year

SCHOOL OF BUSINESS, ECONOMICS AND HOSPITALITY AND TOURISM MANAGEMENT

FOURTH YEAR …….. SEMESTER EXAMINATION FOR

BACHELOR OF COMMERCE

BBA 414: MANAGEMENT OF PUBLIC ENTERPRISES

DATE: **TIME:**

INSTRUCTIONS:

Answer Question One and Any Other Two Questions

QUESTION ONE(COMPULSORY) (30 MARKS)

(a) Describe the process of forming a public enterprise. (4 marks)

(b) Explain briefly the meaning of the following terms:

(i.) A regulatory public enterprise (2 marks)

(ii.) A public utility public enterprise (2 marks)

(iii.) A purely profit making public enterprise (2 marks)

(c) According to Cap 446 of the State Corporations Act, the President has the power to form a public enterprise and assign it to a relevant ministry. Assess one advantage and one disadvantage of this role of the President in relation to how public enterprises are managed. (5 marks)

(d) Present FIVE policy issues that afflict Kenya's public enterprises. (5 marks)

(e) Explain FIVE benefits that a government owned enterprises derives from operating semi-autonomously (5 marks)

f) A cartel (or collusive oligopoly) is made up of a group of collaborating firms which co-ordinates pricing and other policies in order to minimize competition.State FIVE advantages of the formation of cartels. (5 marks)

QUESTION TWO (20 MARKS)

(a) "Kenya's Vision 2030 requires a transformational mindset in the way business is conducted. " Explain four roles that Government owned enterprises (GOEs) in Kenya are expected to play in creating this mindset. (10 marks)

b) State FIVE measure which can be adopted by the government in order to control monopoly power (10 marks)

QUESTION THREE (20 MARKS)

(a) Provide a re-classification of Government owned enterprises in Kenya as of the year 2013. (10 marks)

(b) Explain five advantages of introducing corporate governance to government owned enterprises (10 marks)

QUESTION FOUR (20 MARKS)

(a) Define the following terms:

(i) Public-private partnership (2 marks)

(ii) Privatization (2 marks)

(b) Explain four benefits that a government owned enterprises derives from operating semi-autonomously. (8 marks)

(c) The concept of liberalization means opening up markets for free trade. That is, to encourage exchange of goods and services throughout the world. State FOUR negative and positive effects for liberalization (8 marks)

QUESTION FIVE (20 Marks)

(a) For Effective Privatization, the government should have several features in place. Discuss any FIVE of these features. (10 marks)

(b) Privatization represents a multitude of government initiatives designed to increase the role of private sector. (i)Which PE's should the government privatize? (2 marks)

(c) State any FOUR methods of privatizing giving relevant examples (8 marks)