



Murang'a University College

(A Constituent College of Jomo Kenyatta University of Technology)

DEPARTMENT OF COMMERCE

EM 1, ACADEMIC YEAR 2013/2014

DIPLOMA BUSINESS MANAGEMENT

DBA III. INTRODUCTION TO BUSINESS STUDIES

TOWN CAMPUS

TIME 2 HOURS

SUPPLEMENTARY EXAMINATION

DATE: 9 DEC. 2013

TIME 2 HOURS

INSTRUCTIONS

- i. Question **ONE** is compulsory
- ii. Attempt any other **TWO** questions

QUESTION ONE

1. Profit is a driving force in understanding any business activity.
 - a) Highlight **five** reasons why the profit motive in business is essential. (10 mks)
 - b) There is no doubt that modern business has developed a material standard of living but it has also discontentment with economic and social system. Outline **Five** criticisms towards business (10 mks)
 - c) The element of risk is in every business state **Ten** risks in business operation (10 mks)

QUESTION TWO

- a) Discuss **four** internal environmental factors that affect business (8 mks)
- b) Explain **six** reasons for social responsibilities of a business (12 mks)

QUESTION THREE

- a) Explain **five** advantages of sole proprietorship (10 mks)
- b) Cooperative societies work under principles. Outline **five** of such principles (10 mks)

QUESTION FOUR

- a) Explain **five** functions of stock exchange (10 mks)
- b) Discuss **five** important of controlling as a part of management functions (10 mks)

QUESTION FIVE

- a) State **ten** qualities of a good leader (10 mks)
- b) Explain **five** importance of business policies (10 mks)