



**MURANGA UNIVERSITY COLLEGE**

(A constituent College of Jomo Kenyatta University of Agriculture & Technology)

**MAIN CAMPUS**

**SPECIAL UNIVERSITY EXAMINATIONS 2014/2015 ACADEMIC YEAR**

**THIRD YEAR SECOND SEMESTER EXAMINATIONS FOR THE DEGREE OF  
BACHELOR OF COMMERCE**

**COURSE CODE: HBC2102 COURSE TITLE: INTRODUCTION TO BUSINESS**

**DATE:**

**TIME**

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**INSTRUCTIONS TO CANDIDATES**

Question ONE (1) is compulsory  
Answer THREE (3) questions

MRUC observes ZERO tolerance to examination irregularities



## **INTRODUCTION TO BUSINESS EXAM**

### **QUESTION ONE**

a) Mbukinya bus service operated in the nineties in the western Kenya region. The business environment then was a free for all; their buses plied many routes and were driven at very high speed especially during peak seasons such as Christmas and Easter holiday to make as much profit as they could at the expense of the customers' safety and the wear and tear on the buses. They did not have reliable booking office and they relied on rowdy touts who roughed up the potential customers forcing them to travel with this company's buses at the Machakos country bus terminus. The passengers grudgingly boarded their buses as they feared the mugging by the rowdy touts. This continued to be the trend until the bus company went under in the year 2000.

Crown bus service on the other hand started its operations in 2006 also in the same route, as it began its operations it found a regulated business environment. The public transport rules that restricted the buses to specific routes, treatment of customer with respect, the staff wearing uniform among other stipulated issues that had serious impact on public transport operations. The bus company also has specific booking offices and provides their customer with free drinking water and embraces electronic and mobile booking service where their customers can book even without physically walking to the booking office, which customers have commended as value enriching service. Their buses only stop at designated booking offices along the routes they ply and leave the booking offices at designated times making their customers plan their travels and schedule very well.

i) From the above case discuss FOUR reasons that might have made Mbukinya Bus Company to fail. [8 marks]

ii) Bring out the main business environmental factors that crown bus service may have addressed as opposed to Mbukinya. [10 marks]

iii) If you were asked to develop a business plan for Mbukinya Bus service. Discuss the major components of this plan and briefly explain the importance of each component to the success of the company. [12 marks]

### **QUESTION TWO**

a) Businesses today no longer have to operate as if they are in a vacuum. They have a social responsibility to operate in certain ways to various stakeholders in their environment. Briefly discuss TEN responsibilities a business has to customers/consumers. [10 marks]

b) Briefly discuss five criteria that can be used to evaluate ethical managers from unethical managers. [10 marks]

### **QUESTION THREE**

a) Briefly discuss any five disadvantages that limited/ incorporated companies have over other forms of businesses [10 marks]

b) Distinguish between public limited company and private limited company [2 marks]

c) Companies are subjected to many legal prescriptions than other forms of business ownership. Outline eight of such prescriptions that they have to meet before they can operate. [8 marks]

#### **QUESTION FOUR**

a) Henri Fayol is often regarded as the father of modern management theory. Outline the fourteen management principles he developed. [14 marks]

b) The job of today's manager continues to become more complex, he requires different skills to perform it. Briefly discuss any THREE skills that a manager may use in his job. [6 marks]