

**MURANG'A UNIVERSITY COLLEGE
DEPARTMENT OF COMMERCE
SEM1, ACADEMIC YEAR 2013/2014
DIPLOMA BUSINESS MANAGEMENT
DBA III INTRODUCTION TO BUSINESS STUDIES
TOWN CAMPUS.
TIME 2 HOURS
END OF TERM EXAM**

INSTRUCTIONS

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

QUESTION ONE.

- a) Differentiate between memorandum of Association and article of Association of a registered company and detail the contents of the article of Association (10 mks)
- b) "A partnership is a temporary form of a business ownership". Discuss this statement (10 mks)
- c) You have been asked to draft a partnership deed for a small retail firm of five partners. State matters if any that you will omit from the partnership deed on the basis that they are implied by partnership Act (cap 29) laws of Kenya (10 mks)

QUESTION TWO

- a) Discuss five external environmental factors that affect business (10 mks)
- b) Describe five sources of business finance(10 mks)

QUESTION THREE

- a) Explain five objectives of business enterprises (10 mks)
- b) Discuss five current issues in modern business (10 mks)

QUESTION FOUR

- a) Define the term social responsibility (2 mks)
- b) Explain areas of responsibilities of a business to the society(8 mks)
- c) Discuss five reasons against social responsibilities of a business (10 mks)

QUESTION FIVE

Planning is an important responsibility of any manager

- a) Why should managers spend a lot of time and effort planning (10 mks)
- b) Highlight the barriers of effective planning (10 mks)