

**CHUKA**



**UNIVERSITY**

**COLLEGE**

**UNIVERSITY EXAMINATIONS**

**FIRST YEAR EXAMINATION FOR THE AWARD OF DEGREE OF  
BACHELOR OF ARTS (ECONOMICS & SOCIOLOGY)**

**AGBM 101: INTRODUCTION TO BUSINESS**

**STREAMS: B.A (ECON. & SOCIOLOGY) Y1S1**

**TIME: 2 HOURS**

**DAY/DATE: THURSDAY 13/12/2012**

**8.30 A.M – 10.30 A.M.**

**INSTRUCTIONS:**

- (i) Answer question ONE (Compulsory) and any other two questions only.
  - (ii) Do not write on the question paper.
1. (a) Explain the term business. [4 marks]
- (b) Business plays an important role in the society; therefore there is need for establishment of more businesses. Explain the various reasons for establishing business. [6 marks]
- (c) Explain how business shall be responsible to the following:
- (i) Shareholders [4 marks]
  - (ii) Customers [4 marks]
  - (iii) Creditors [4 marks]
- (d) Critically analyse the current Kenyan environment and its effect to establishment and prosperity of business. [8 marks]
2. (a) Mwangi and Otochi are graduates from Chuka University and are interested to start a business of either partnership or company in which they are not aware of what entails them.
- (i) Explain the features of partnership and public company. [10 marks]
  - (ii) Outline the advantages they can get in establishing partnership instead of a public company. [6 marks]
- (b) Outline any eight characteristics of good businessman. [4 marks]

3. (a) You are leading seven friends you finished the College with in establishing a business. As a promoter you intend to register a public company as a basis of starting business. As per the Kenya's companies act Cap 486, explain the procedures of registering a company in Kenya to the point of commencing business. [16 marks]
- (b) Explain why it is necessary for every business to plan and finance social responsibility activities. [4 marks]
4. (a) In each of the following factors explain how they are likely to affect business operations and growth.
- (i) Political-legal environment [4 marks]
- (ii) Economic environment [4 marks]
- (b) Vision 2030 is the Kenya's economic flagship of driving the country to a middle level developed country.
- (i) Describe the pillars of this vision. [4 marks]
- (ii) Explain how the vision will be positively helping business development. [8 marks]
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