



PAN AFRICA CHRISTIAN UNIVERSITY

END OF TERM EXAMINATION

BUE3323: BUSINESS ENVIRONMENT

TUESDAY, JULY 30, 2013

1500HRS –1800HRS

INSTRUCTIONS

- This Exam Script has **FIVE (5)** questions.
- Answer any **FOUR (4)** questions.
- Write your **student number** on the Answer Booklet.
- Read all questions carefully before attempting.

BUE 3323. SMALL BUSINESS ENVIRONMENT.

Instructions:

Read all the questions carefully. Answer ANY FOUR questions. All questions carry equal marks

Question 1.

- a) Giving examples, discuss the term 'business environment' as it relates to a firm? (10 marks)
- b) Give five reasons why a firm should be concerned about its business environment. (10 marks)

Question 2.

Describe any five environmental factors and their influence to the activities of a firm in the following:

- a) Macro (Remote) environment. (10 marks)
- b) Micro (Industrial level) environment. (10 marks)

Question 3.

Discuss the internal factors that affect decision making in a firm in the following levels:

- a) Corporate level. (5 marks)
- b) Business level. (5 marks)
- c) Functional level. (5 marks)
- d) The sole trader. (5 marks)

Question 4.

- a) Differentiate between comparative and absolute advantage and give examples. (5 marks)
- b) Explain the term 'globalization'. (5 marks)
- c) Give five positive effects of globalization. (5 marks)
- d) List five negative effects of globalization on developing countries. (5 marks)

Question 5.

International business can be defined as any business activities that take place across national boundaries.

- a) What is an international marketing environment? (5marks)
- b) Explain why international trade important to a nation. (5 marks)
- c) Give five reasons why business organizations go international. (5 marks)
- d) Discuss briefly five factors that influence a nation's ability to trade internationally. (5 marks)