PAN AFRICA CHRISTIAN UNIVERSITY

SCHOOL OF LEADERSHIP, BUSINESS & TECHNOLOGY

END OF SEMESTER EXAMINATION FOR DIPLOMA IN ENTREPRENEURSHIP MANAGEMENT

SEPTEMBER-DECEMBER 2019

CAMPUS: ROYSAMBU

DEPARTMENT: BUSINESS

COURSE CODE: DENT0111

COURSE TITLE: INTRODUCTION TO BUSINESS

EXAM DATE: FRIDAY 6th DECEMBER 2019

DURATION: 2 HOURS

TIME: 9:00AM-11:00AM

INSTRUCTIONS

- Read the instructions and questions carefully before you write the answers.
- Write your **STUDENT NUMBER** in the Answer Booklet given
- *Write clearly and legibly.*
- This exam script consists of **Six (6)** questions.
- Answer ALL q**uestions in SECTION A (compulsory)** and A**ny other three (3)** questions from **SECTION B**
- *ALL PAC University's examination rules and regulations apply*

SECTION A COMPULSORY QUESTION (30 Marks)

QUESTION 1

a) Differentiae the following terms as used in Business Studies
   - **i.** Need and Want **(2 Marks)**
   - **ii.** Trade and Aids to trade **(2 Marks)**
   - **iii.** Limited Liability and Unlimited Liability **(2 Marks)**
   - **iv.** Consumer goods and Industrial goods **(2 Marks)**
   - **v.** Application software and system software **(2 Marks)**

b) Explain TWO reasons why profits are a primary motive in business. **(4 Marks)**

c) State THREE factors to consider when starting a business enterprise **(3 Marks)**

d) Highlight THREE skills when a student undertakes Business Studies as a subject. **(3 Marks)**

e) Describe TWO characteristics of a service. **(2 Marks)**

f) State and explain FOUR roles of Government in Business **(8 Marks)**

SECTION B: ANSWER ANY THREE QUESTIONS {10 MARKS EACH}.

QUESTION 2

a) Explain the factors of production in the manufacture of goods and services. (**4 Marks**)

b) A trader has decided to expand his manufacturing business. State SIX sources of capital. (**6 Marks**)

QUESTION 3

a) Describe FOUR factors that constitute the business Macro environment. (**4 Marks**)

b) Explain THREE major challenges faced by Business Organizations in Kenya today. **(6 Marks)**

QUESTION 4

a) Explain TWO advantages of each of the following type of business

i. Sole proprietor (**2 Marks**)

ii. Partnership (**2 Marks**)

iii. Joint stock company (**2 Marks**)

b) State FOUR reasons why vegetables exporters would transport their produce by air rather than sea. (**4 Marks**)

QUESTION 5

a) State FIVE functions of financial managers in a company. **(5 Marks)**

b) Outline FIVE functions of a personnel (human resources) department. **(5 Marks)**

QUESTION 6

a) Explain the difference between hardware and software and how they combine to process data. **(4 Marks)**

b) Explain how a company uses the following aspects of the internet

(i) An intranet **(2 Marks)**

(ii) An extranet **(2 Marks)**

(iii) The internet itself **(2 Marks)**

End of Exam