PAN AFRICA CHRISTIAN UNIVERSITY

END OF TERM EXAMINATION

BUE3323: BUSINESS ENVIRONMENT

THURSDAY, JULY 28, 2011

1800HRS – 2100HRS

INSTRUCTIONS

- This Exam Script has **SIX (6)** Questions.
- Answer **Question 1, which is compulsory**, and any **other FOUR questions** of your choice.
- Write your **student number** on the Answer Booklet.
- Read all questions carefully before attempting.

1. a) Explain the concept of social responsibility of business **(2 marks)**

   b) Explain how business could be socially responsible to the stakeholders.**(10marks)**

   c) Discuss any **FOUR** major arguments for and **FOUR** major arguments against business social responsibility that have been expressed in the social responsibility debate. **(8marks).**

2. a) Discuss any **FIVE** reasons for internationalizing company operations **(10 marks)**

   b) In today's highly competitive business environment, budget-oriented planning or forecast-based planning methods are insufficient for large corporation to survive and prosper. The firm must engage in thorough strategic planning inorder to succeed.

   Describe the strategic planning process. **(10marks)**

3. a) In order to try to avoid major economic shocks, such as great depression, governments make adjustments through policy changes which they hope will succeed in stabilizing the economy. This economic management is achieved through two types of strategies.

   Describe the **TWO** types of strategies. **(10 marks)**

   b) In the Saturday Nation newspaper of June 25, 2011, it was reported that inflation could rise above 20 per cent some time this year.

   Evaluate the methods that might be used to reduce inflation. **(10 marks)**

4. a) Discuss any **FIVE** features of business environment **(5 marks)**

   b) Describe the importance of business environment for the business firm **(5 marks)**

   c) Explain any **FIVE** non-economic environment of the business **(10marks)**

5. a) Differentiate between micro and macro business environment **(6 marks)**

   b) Discuss any **FIVE** aspects of business microenvironment **(10 marks)**

   c) Discuss any **FOUR** steps which have been undertaken by the Kenya government in creating an enabling business environment. **(4 marks)**

6. Martin Kip is deciding whether to switch career and become a farmer – he's always loved the countryside, and wants to switch to a career where he's his own boss. Explain the application of Porter's Five Forces of competition to make the best choice. **(20 marks)**