PAN AFRICA CHRISTIAN UNIVERSITY

SCHOOL OF LEADERSHIP, BUSINESS & TECHNOLOGY

END OF SEMESTER EXAMINATION FOR THE DEGREE OF

BACHELOR OF BUSINESS LEADERSHIP

BACHELOR OF COMMERCE

JANUARY-APRIL 2019 SEMESTER

CAMPUS: VALLEY ROAD

DEPARTMENT: BUSINESS STUDIES

COURSE CODE: BUS1213|BCM100

COURSE TITLE: BUSINESS STUDIES

EXAM DATE: TUESDAY 9th APRIL 2019

DURATION: 3 HOURS

TIME: 5:30PM-8:30PM

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.*
- Answer **Question ONE** and any other **FOUR** questions

➢ *ALL PAC University's examination rules and regulations apply*

QUESTION ONE. (COMPULSORY) 40 MARKS

a) Describe **four** characteristics of business activity. (8 marks)

b) Discuss the following terms in relation to industry processes.

i) Fabrication. (2 marks)

ii) Extraction. (2 marks)

iii) Production. (2 marks)

c) Explain the characteristic of each of the following activities of commerce:

i) Trade; (2 marks)

ii) Aids to trade. (2 marks)

d) Explain the significance of the following documents in an incorporated company:

i) Memorandum of Association (2 marks)

ii) Articles of Association. (2 marks)

e) Discuss **two** techniques of quality control applied in production management. (6 marks)

f) Explain **two** sources of long-term capital financing for a limited liability company. (4 marks)

g) Identify **two** projects that may require short-term capital financing in a business. (4 marks)

h) State **four** challenges that a company may face when using advertising as a channel of promoting its sales. (4 marks)

QUESTION TWO (15 MARKS)

a) Explain **four** challenges that a developing country may face when doing foreign trade. (8 marks)

b) Discuss the role of Trade Pacts in international trade. (3 marks)

c) Outline **four** barriers in international trade. (4 marks)

QUESTION THREE (15 MARKS)

a) Explain **five** characteristics of a joint stock business. (5 marks)

b) Ronny and Tim intend to enter into a partnership to work as web designers. Advise them on the general features of a partnership business. (5 marks)

c) State **five** reasons that may have contributed to the fast growth in the cooperative societies sector in Kenya. (5 marks)

QUESTION FOUR (15 MARKS)

a) Distinguish an entrepreneur from a business manager. (2 marks)

b) State **four** approaches for mitigating risks by an entrepreneur. (4 marks)

c) Analyze **three** factors that may add momentum to the rate of entrepreneurship growth in Kenya. (9 marks)

QUESTION FIVE (15 MARKS)

a) In your organization, the production department has noted a significant increase in the level of unutilized stocks held. As the business development manager, state **five** reasons that could have led to this scenario. (5 marks)

b) Discuss **five** major considerations in the content of a Human Resource Policy document for a company. (10 marks)

QUESTION SIX (15 MARKS)

a) Explain **three** characteristics of an offer in the law of business transactions. (6 marks)

b) Discuss **three** ways that parties to a business contract may be discharged from the contract. (9 marks)