****

**GARISSA UNIVERSITY**

**UNIVERSITY EXAMINATION 2018/2019 ACADEMIC YEAR ONE**

**FIRST SEMESTER EXAMINATION**

**SCHOOL OF BUSINESS AND ECONOMICS**

**FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT**

**COURSE CODE: BBM 100**

**COURSE TITLE: INTRODUCTION TO BUSINESS STUDIES**

**EXAMINATION DURATION: 2 HOURS**

**DATE: 27/11/18 TIME: 09.00-11.00 AM**

**INSTRUCTION TO CANDIDATES**

* **The examination has FIVE (5) questions**
* **Question ONE (1) is COMPULSORY**
* **Choose any other TWO (2) questions from the remaining FOUR (4) questions**
* **Use sketch diagrams to illustrate your answer whenever necessary**
* **Do not carry mobile phones or any other written materials in examination room**
* **Do not write on this paper**

**This paper consists of TWO (2) printed pages *please turn over***

**QUESTION ONE (COMPULSORY)**

1. Define the term business Studies and explain its significance to the Kenyan economy **[5 marks]**
2. Outline the basic steps that must be taken to start a company in Kenya. **[5 marks]**
3. Explain key business stakeholders and identify how each of them are likely to influence business operations **[10 marks]**
4. Citing suitable examples, argue for and against government intervention in business **[10 marks]**

**QUESTION TWO**

1. Discuss the financial instruments traded in the capital markets**. [10 marks]**
2. Explain five principles of cooperatives **[10 marks]**

**QUESTION THREE**

1. Describe the importance of Social Responsibility to the business **[10 marks]**
2. Discuss the various classifications of Debt Finance **[10 marks]**

**QUESTION FOUR**

1. Compare and Contrast ordinary share capital to Preference Share Capital **[10 marks]**
2. Explain the factors that a business person should consider when pricing his/her products **[10 marks]**

**QUESTION FIVE**

1. Describe the levels of management and the different types of decisions that are made in different levels of management **[10 marks]**
2. Explain the Key differences between private limited and public limited companies **[10 marks]**