



MAASAI MARA UNIVERSITY
REGULAR UNIVERSITY EXAMINATIONS
2021/2022 ACADEMIC YEAR
FIRST YEAR FIRST SEMESTER
SCHOOL OF APPLIED SCIENCES
DIPLOMA IN NUTRITION

COURSE CODE: CBM 01

COURSE TITLE: BUSINESS STUDIES

DATE: 7 TH APRIL,2022

TIME: 1100-1300HRS

INSTRUCTIONS TO CANDIDATES

- i. This paper consists of three sections*
- ii. Answer **ALL** Question in Section **One and two***
- iii. Answer two questions in section **Three***

1. Which of the following is not a reason for installing ventilation in office buildings?
 - (a) Ensure health and safety of employees
 - (b) To comply with the law
 - (c) To ensure the building is secure
 - (d) To ensure air circulation
2. Identify one benefit that could accrue to an organization from hiring the right employees
 - (a) Pay high salaries
 - (b) Easy to recruit
 - (c) Reduce workload
 - (d) Improved performance
3. Identify the basic function of management that involves grouping of jobs and assigning authority and responsibility to perform them
 - (a) Planning
 - (b) Organizing
 - (c) Job enlargement
 - (d) Job rotation
4. Which of the following is a challenge associated with the stabilization stage of a business life cycle?
 - (a) Difficulties in attracting staff
 - (b) High cost of promoting the business
 - (c) Identifying opportunity for innovation
 - (d) Taking high risks
5. Government can better help in forming new ventures by providing
 - (a) Finance
 - (b) Technology
 - (c) Infrastructure
 - (d) Funds
6. Which of the following factor has allowed small companies to act like they are big ones
 - (a) Customers
 - (b) Competition
 - (c) Economic development
 - (d) Technology
7. Mary found out the reason her leg wear was not selling was due to its colour. What could be the best source of this information?
 - (a) Supplier
 - (b) Retailer

- (c) Customers
 - (d) Government bureau
8. The purpose of a business is to _____.
- (a) Be highly creative and in love with the invention
 - (b) To encourages change
 - (c) Manufacture goods
 - (d) Satisfy customer needs and reduce costs
9. Which of the following shows the process of creating something new?
- (a) Business model
 - (b) Design
 - (c) Creativity
 - (d) Innovation
10. The other name for the internal environment of a business is _____.
- (a) Micro environment
 - (b) Business department
 - (c) Macro environment
 - (d) Competitive environment
11. Why should an entrepreneur do a feasibility study before starting a new venture
- (a) To identify possible source of funds
 - (b) To see if there are possible barriers to success
 - (c) To estimate the expected sales
 - (d) To explore potential customers
12. Which of the following is a typical characteristic of most entrepreneurs?
- (a) Choose high risk venture
 - (b) Choose low risk ventures
 - (c) Choose moderate (or calculated) risk ventures
 - (d) Choose no risk ventures
13. One of the disadvantages of a partnership business is _____.
- (a) High capital base
 - (b) High failure rate
 - (c) Lack of brand identity
 - (d) Decision making is very slow

14. Which one of the following is a characteristic of an efficient filing system
- (a) Confidential
 - (b) Large
 - (c) Accessibility
 - (d) Authorized
15. Which of the following best explains the summary tasks, roles and responsibilities of a specific job in an organization?
- (a) Job description
 - (b) Job specification
 - (c) Job enrichment
 - (d) Job analysis

In question 16 to 20, indicate whether the statement is True or False

16. Buying an existing business is always advantageous than starting one
17. People who imitate others do not have to invent anything new to make profit
18. All leaders are managers
19. All managers require decision making skills
20. Conflict in an organization always leads to poor performance

SECTION B : Answer all questions 40 marks

1. List any four distinguishing features between an entrepreneur and an employee (4 marks)
2. Highlight any five characteristics of human wants (5 marks)
3. Identify any five categories of goods (5 marks)
4. Distinguish between goods and services (6 marks)
5. Explain any five characteristics of indirect production (5 marks)
6. Highlight any five characteristics of entrepreneurs (5 marks)
7. Explain any five methods of reproduction of documents in the organization (5 marks)
8. Explain the disadvantages of using ICT in business (5 marks)

SECTION B : Answer any two questions 40 marks

1. Briefly discuss any five factors hindering mobility of labour in Kenya (20 marks)
2. Discuss the components of the macro environment and how they affect the business (20 marks)

3. Most business in Kenya do not get to their seventh months profitably , discuss the main causes of business failure in Kenya (**20 marks**)
4. You are the manager of Pwanini enterprises and you feel that the current open office layout is not the best. you are asked by the board of management to explain the five reasons why you feel the layout is not appropriate. Discuss any five key arguments against the open office layout. (**20 marks**)

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