



KAIMOSI FRIENDS UNIVERSITY

FIRST YEAR SECOND SEMESTER UNIVERSITY EXAMINATIONS

2025/2026 ACADEMIC YEAR

SPECIAL EXAMINATIONS

FOR THE DEGREE OF BACHELOR OF COMMERCE/BACHELOR OF
EDUCATION(ARTS)

COURSE TITLE: INTRODUCTION TO BUSINESS MANAGEMENT

COURSE CODE: BCB 101

DAY/DATE: 23/06/26

TIME: 03:00 PM – 05:00 PM

INSTRUCTIONS TO STUDENTS

1. Answer **QUESTION ONE** and **ANY OTHER TWO** from the choices given.
2. Phones, smart watches, ear phones or any other unauthorized digital and AI gadgets and applications are **not allowed** in the examination room.
3. Answer all questions in the exam answer booklet provided.
4. Do not write on this question paper.
5. All KAFU examination rules and regulations apply.
6. DURATION OF EXAMINATION: **TWO (2) HOURS**

KAFU observes ZERO tolerance to examination cheating.

*This paper consists of **THREE** printed pages. Please turn over.*

QUESTION ONE (30 MARKS)

- a. Write brief notes on your understanding of “Customers value propositions; the profit formula; business innovations; entrepreneurship and Globalization. **(5 Marks)**
- b. Define business ethics and discuss two types of ethics practiced in businesses. **(5 Marks)**
- c. Differentiate between internal and external business environments. **(6 Marks)**
- d. Explain five circumstances that may lead to a company being dissolved. **(5 Marks)**
- e. Discuss five advantages of Henri Fayal’s principle of “stability of Personnel”. **(5 Marks)**
- f. Identify four common risks that may affect any business environment. **(4 Marks)**

QUESTION TWO (20 MARKS)

- a. Business environments are divided into internal and external. Discuss five specific factors from each of them, noting to explain how each of the factors affect performance of the business. **(10 Marks)**.
- b. Most businesses in the economy are registered as sole proprietorships, partnerships and private limited companies. Please identify and discuss key differences between the said forms of business. **(10 Marks)**.

QUESTION THREE (20 MARKS)

- a. The business world plays a crucial role in economic progress by creating jobs, organizing resources, and delivering goods and services that enhance living standards. Define the term “business” and identify four roles played by the community to ensure that businesses operating among them are successfully sustained for enterprise growth. **(10 Marks)**
- b. Identify and discuss five business ethics principles that are applied in a workplace of your choice to drive ethical behavior. **(10 Marks)**.

QUESTION FOUR (20 MARKS)

- a. The different dimensions of any business environment will include political, economic, social, technological, educational and legal environments. Explain how each of them contributes to the overall business environment. **(12 Marks)**
- b. Give a detailed definition of the term “Free Market” and discuss three characteristics of such a market in any economy. **(8 Marks)**.

QUESTION FIVE (20 MARKS)

- a. In Kenya, a company is formed under Cap 486 of the Companies Act, by way of a charter, legislation or registration. Please explain a step by step process of registering a company from formation to issuance of a trading license. **(10 Marks)**.

- b. Functions of a business entity will always include human, marketing, finance, risk and operations. Briefly discuss how each of these functions supports the successful delivery of a medium size firm. **(10 Marks)**.