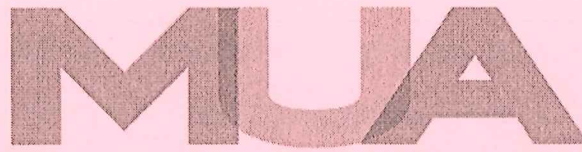


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UNDERGRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF BACHELOR OF EDUCATION ARTS

**BUS 101: INTRODUCTION TO BUSINESS**

**DATE: 8<sup>TH</sup> DECEMBER 2021**

**DURATION: 2 HOURS**

**MAXIMUM MARKS: 70**

**INSTRUCTIONS:**

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. Write all your answers in the Examination answer booklet provided.

## QUESTION ONE

Read the Case Study below carefully and answer the questions that follow.

### MAKINDU TEXTILE MANUFACTURING FACTORY

Makindu Textile manufacturing Factory is located in the Town of Makindu with enough infrastructures and a good workforce. The Company was specialized in shirting and suiting particularly the supplies that are done in the region.

The Organization is run by Mr. Patel, a CEO who is commonly known for well educated, experienced, a businessman with a humane approach. He considers employees of Makindu Textile as a competitive advantage of his organization and would want to keep the workforce always updated to face the challenges from their competitors.

Mr. Patel who heads the production himself, developed an efficient top management group which includes Mr. Rakesh heading marketing, Mrs. Pandia leading HR and T & D, Mr. Mutua leading finance. All these departmental heads have always been supportive for the ideas of the CEO in handling the workforce. They also believed that satisfied, educated, dedicated workforce will be key to success at any condition to the organization. Money spent on employees will always be an investment for the organization.

Training and Development became a day today activity in the organization and employees have been trained by well-versed trainers in that area. The organization also encourages employees to do further studies as part of the carrier development program and they get helping hand from the organization.

The employees of Makindu are very much satisfied with this kind of support from the organization and they realized that being with Makindu, their personal growth will be assured. Because of the above said things, Makindu had many advantages like highly

trained and qualified workforce, highest quality of supplies assured, less rate of attrition, dedicated workforce, meeting the targets on time etc.

One day, the employees of Makindu were in deep grief when the news hit the office that Mr. Patel, the CEO, decided to handover to his son Mr. Mukdir who had completed his studies abroad and returned to Kenya.

Now it has been three months since Mr. Mukdir took over the charge of the organization and from day one, he started auditing in almost all the departments with a motto to reduce cost. He got a statistic that compensation is the highest cost bared by the company compared to any other cost incurred in the organization.

So he called Mrs. Pandia, the head of HR and asked her to decide the plan of reducing the labour cost by 30% by way of Lay-offs. Mrs. Pandia got shocked by listening to this decision and said to the new CEO that, "Sir, it is my responsibility to tell you that the workforce which we have is an excellent, well-trained, loyal and self-motivated. In case of any layoffs, our competitors will take advantage of that..

Mr. Patel was not in a position to listen to her words and said that "sorry Mrs. Pandia, I am not ready to review my decision and neither wants any alternatives and for this to be done within a week". Finally, with all her regrets, Mrs. Pandia reduced the workforce by 30%. On the other hand, the employees who were waived off from Makindu joined the competitors with a better package.

One day in his office, Mr. Patel was discussing with Mrs. Pandia that the cost of labour in the organization has been reduced to a great level which increases the net profit also. After listening to this, Mrs. Pandia said to him that "it is well said we have reduced the Labour cost and increased the profit but it is true that we have missed the great opportunity to grow more by losing our wealth to competitors.

**REQUIRED**

- a) Based on the above case study, examine the objectives of a business. (8 Marks)
- b) Evaluate the type of business in the above case and briefly discuss its features. (10 Marks)
- c) Assess the possible sources of funds for this business. (7 Marks)

**QUESTION TWO**

- a) Discuss the workplace challenges in an organization clearly showing how to overcome them (10 Marks)
- b) Discuss capital as a Factor of Production clearly highlighting its characteristics (5 Marks)

**QUESTION THREE**

Discuss the meaning of a corporation highlighting its advantages and disadvantages. (15 Marks)

**QUESTION FOUR**

- a) Highlight the importance of a business. (10 Marks)
- b) Distinguish between debt financing and equity financing (5 Marks)

**QUESTION FIVE**

- a) Discuss the basic forms of business organizations clearly highlighting the advantages and disadvantages of each (10 marks)
- b) Identify any five barriers to international trade (5 Marks)

**QUESTION SIX**

- a) Analyze the steps in the collective bargaining process (10 Marks)
- b) Examine the importance of entrepreneurship in any country (5 Marks)