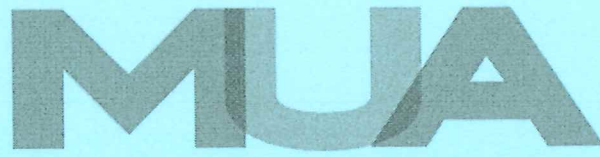


The
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UNDERGRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF BACHELOR OF COMMERCE

BCM 115 : INTRODUCTION TO BUSINESS

DATE: 11TH DECEMBER 2024

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 and answer the questions that follow:

CONSUMER INFLUENCE IN DRIVING BUSINESS

Introduction: Tesla, Inc., founded in 2003 by engineers Martin Eberhard and Marc Tarpenning, later led by Elon Musk from 2004, has revolutionized the automotive industry. In this case study, we explore how entrepreneurship, the role of business processes, political factors, and consumer influence have played critical roles in Tesla's rise from a niche electric vehicle (EV) startup to one of the most valuable companies in the world.

At the heart of Tesla's success is the entrepreneurial spirit. Elon Musk, who became Tesla's CEO and largest investor, is the embodiment of a visionary entrepreneur. His bold vision was not just to create electric cars, but to make electric vehicles (EVs) mainstream and address the global challenges of climate change and fossil fuel dependence.

Innovation: Tesla's entrepreneurial success was driven by Musk's relentless pursuit of innovation. Unlike traditional automakers, Tesla focused on creating high-performance EVs with cutting-edge technology. The Roadster, launched in 2008, was the first production electric car to use lithium-ion batteries, offering a range of over 200 miles per charge – revolutionary at the time.

Risk-taking: Musk's willingness to invest his own money and take on personal risk was a defining characteristic of Tesla's entrepreneurial journey. In 2008, during the global financial crisis, Tesla faced significant financial difficulties. Musk, having already invested millions of his own money, had to secure additional funding. He famously risked his remaining capital, stating that if Tesla didn't succeed, both he and the company would be finished. His willingness to push boundaries with both technology and financing turned out to be a defining factor in Tesla's survival and eventual success.

Entrepreneurial Drive: Musk's leadership drove Tesla to quickly scale production, innovate with features like autonomous driving, and challenge legacy automakers with a new business model – direct sales, eliminating the need for dealerships.

Tesla's rise was not just about innovative products but also the refinement of business processes, especially in areas like manufacturing, supply chain management, and product development.

Vertical Integration: One of the key processes that set Tesla apart from competitors was its strategy of vertical integration. Tesla produces most of its components in-house, including batteries, electric motors, and the software that powers the vehicles. This approach allows Tesla to have better control over quality, cost, and innovation. For example, the Gigafactories, massive production facilities built to manufacture batteries at scale, were designed to reduce costs and improve efficiency in the production of electric vehicles.

Agile Manufacturing: Tesla's ability to innovate rapidly in production is another key business process that allowed the company to grow. For instance, the Model S was brought to market faster than many traditional automakers would have considered possible for a new car. Tesla implemented flexible, agile manufacturing processes that allowed it to quickly iterate on product design and production.

Software-Driven Innovation: Tesla's focus on software updates and over-the-air (OTA) capabilities transformed not only the car ownership experience but also how Tesla managed its products post-sale. This process allowed the company to continue to improve vehicle features long after customers took delivery.

Tesla's success has been heavily influenced by political factors, including government policies and regulations, particularly in the realms of environmental legislation, subsidies, and infrastructure development.

Government Incentives and Subsidies: In the early years, Tesla benefited from various government incentives, including tax credits for consumers purchasing EVs and grants for manufacturers producing clean energy vehicles. These subsidies played a crucial role in making Tesla's high-cost electric vehicles more affordable for consumers. Without the support of government programs, Tesla's early production models might have struggled to compete with traditional gas-powered vehicles.

Environmental Policies and Regulations: Increasingly stringent emissions regulations worldwide provided another push for electric vehicles. In countries like Norway and the European Union, stricter CO2 emissions standards encouraged

automakers to develop electric cars. Tesla, as a leader in EV technology, was able to leverage these regulations to position itself as an environmentally responsible alternative to traditional gas-powered vehicles.

Political Leadership and Advocacy: Elon Musk has been an outspoken advocate for clean energy and sustainability. His political influence, alongside Tesla's prominence, has given the company a seat at the table in policy discussions regarding climate change and energy transition. Musk has even been involved in conversations with U.S. policymakers about the future of EVs and the role of renewable energy, which has helped shape the business environment for Tesla.

Required:

- a) Explain the role of politics in supporting Business growth as per the case study. (10 marks)
- b) Asses the role of processors in the distribution business (10 Marks)
- c) Discuss five role of consumers in driving business growth (5 Marks)

QUESTION TWO

- a) Entrepreneurship plays a major role in the economic development of a country. Discuss the merits of Entrepreneurship. (10 marks)
- b) Outline five challenges associated with running a successful Enterprise. (5 Marks)

QUESTION THREE

- a) Many theories exist explain the evolution of Management. Discuss the key differences between Behavioral and Classical Theories of management. (10 marks)
- b) To effectively respond to challenges in trade, many businesses owners relay on the law of sale of goods. (5 marks)

QUESTION FOUR

- a) Discuss the concept of Marketing mix and its application in the marketing of products. **(8 marks)**
- b) Enumerate the six stages of product development. **(6 marks)**

QUESTION FIVE

- a) A new product launched into the market tends to take time as it goes through various phases. Discuss the five reasons for decline in product demand. **(10 marks)**
- b) Propose 5 ways the marketer can bounce from a product decline **(5 Marks)**

QUESTION SIX

- a) Partnership is the best type of business for an employed person. Discuss with bias towards types of partners **(10 marks)**
- b) Enumerate five types of communication practiced in Organization. **(5 marks)**

