



PAN AFRICA CHRISTIAN UNIVERSITY
SCHOOL OF LEADERSHIP, BUSINESS & TECHNOLOGY
END OF SEMESTER EXAMINATION FOR CERTIFICATE IN
ENTREPRENEURSHIP DEVELOPMENT
SEPTEMBER-DECEMBER 2019

CAMPUS: ROYSAMBU

DEPARTMENT: BUSINESS

COURSE CODE: CENT0111

COURSE TITLE: BUSINESS STUDIES

EXAM DATE: FRIDAY 6th DECEMBER 2019

DURATION: 2 HOURS

TIME: 9:00AM-11:00AM

INSTRUCTIONS

- Read the instructions and questions carefully before you write the answers.
- Write your **STUDENT NUMBER** in the Answer Booklet given
- *Write clearly and legibly.*
- This exam script consists of **Six (6)** questions.
- Answer **ALL questions in SECTION A (compulsory)** and **Any other three (3)** questions from **SECTION B**
- *ALL PAC University's examination rules and regulations apply*

SECTION A **COMPULSORY QUESTION** **(30 Marks)**

a) Differentiate the following terms as used in business studies

- | | | |
|------|---|------------------|
| i. | Trade and Aids to trade | (2 Marks) |
| ii. | Need and Want | (2 Marks) |
| iii. | Limited Liability and Unlimited Liability | (2 Marks) |
| iv. | Consumer goods and Industrial goods. | (2 Marks) |
| v. | Application software and system software. | (2 Marks) |

b) Indicate the level of production associated with the following industries.

(4 Marks)

	<u>Industry</u>	<u>Level of production</u>
i.	Mining	_____
ii.	Oil Refinery	_____
iii.	Insurance	_____
iv.	Teaching	_____

c) Outline FOUR benefits of using the internet for office communication.**(4 Marks)**

d) Highlight TWO skills a student acquires while undertaking Business studies as a subject. **(2 Marks)**

e) Outline TWO risks against which a shopkeeper may insure. **(2 Marks)**

f) Using examples, explain FOUR differences between a good and a service.

(8 Marks)

SECTION B: **ANSWER ANY THREE QUESTIONS** **{10 MARKS EACH}.**

QUESTION 2

a) Highlight four characteristics of Land as a factor of production. **(4 Marks)**

b) A trader has decided to expand his manufacturing business. State SIX sources of capital. **(6 Marks)**

QUESTION 3

- a) Describe FOUR factors that constitute the business Macro environment. (4 Marks)
- b) Explain **THREE** major challenges faced by Business Organizations in Kenya today. (6 Marks)

QUESTION 4

- a) Explain TWO advantages of each of the following type of business
- i. Partnership (2 Marks)
 - ii. Joint stock company (2 Marks)
- b) Amboseli Roses is a horticultural business producing flowers. Explain THREE factors that may influence the choice of channel for distributing its products. (6 Marks)

QUESTION 5

- a) Describe two main functions of the following departments in an organization
- i. Human Resource Management department (2 Marks)
 - ii. Marketing department (2 Marks)
 - iii. Customer Service (2 Marks)
 - iv. Information Technology department (2 Marks)
- b) Differentiate between a company vision and mission. (2 Marks)

QUESTION 6

- a) State FOUR social responsibilities a manufacturing firm should have to the community. (4 Marks)
- b) Discuss THREE sources of information in business. (6 Marks)

End of Exam