



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**SCHOOL OF BUSINESS & ECONOMICS**  
**UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS**  
**ADMINISTRATION WITH IT**  
**4<sup>TH</sup> YEAR 2<sup>ND</sup> SEMESTER 2015/2016 ACADEMIC YEAR**  
**MAIN CAMPUS - RESIT**

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**COURSE CODE: ABA 105**

**COURSE TITLE: BUSINESS ENVIRONMENT**

**EXAM VENUE: LAB 1**

**STREAM: (BBA-HRM)**

**DATE: 06/05/16**

**EXAM SESSION: 9.00 – 11.00 AM**

**TIME: 2 HOURS**

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**Instructions:**

- 1) Answer Question ONE (COMPULSORY) and ANY other 2 questions
- 2) Candidates are advised not to write on the question paper.
- 3) Candidates must hand in their answer booklets to the invigilator while in the examination room.

**QUESTION ONE**

- a) In your own words, explain what you understand by the phrase "Business Environment" 6mks
- b) Describe the role of top Management as element of internal environmental factor in an organization (6mks)
- c) State the core objectives of a business unit or a firm. (2mks)
- d) Discuss each of the concepts below in the context of Business Environment
  - i. Diversity
  - ii. Spatial levels
  - iii. Dynamism
  - iv. Interaction (16mks)

## QUESTION TWO

- a) List three types of market economies (5mks)
- b) Discuss how each of the market economy in (a) would impact your business undertaking (5mks)
- c) Technology has revolutionized the way of doing business. Discuss. (10mks)

## QUESTION THREE

- a) Business environment is characterized by many forces in the market. With relevant examples, identify and explain possible effects of external environmental factors to a business (10mks)
- b) Explain the five-force model by Michael Porter (5mks)
- a) Discuss the concept of social corporate responsibility highlighting at least five stakeholders (5mks)

## QUESTION FOUR

- (a) Managers estimate that despite having considerable influence in government, markets or public opinion, their powers can be restricted. Explain any four boundaries on managerial power. (5 marks)
- (b) Discuss the Business Environment and the macro-environmental factors that influence it. (10marks)
- (c) Explain what is meant by the term global corporate competitiveness. (5 marks)

## QUESTION FIVE

“The invisible hand of the market assures that by pursuing his own interest, a merchant frequently promotes that of the society more effectively than when he really intends to”, Adam Smith. In view of Adam Smith’s assertion, discuss theories of ethical responsibility and show how they contradict. (20 marks)

