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*(UNIVERSITY OF CHOICE)*

**MASINDE MULIRO UNIVERSITY OF  
SCIENCE AND TECHNOLOGY  
(MMUST)**

**UNIVERSITY EXAMINATION  
2021/2022 ACADEMIC YEAR  
FIRST YEAR FIRST SEMESTER EXAMINATIONS  
SPECIAL/SUPPLEMENTARY EXAMINATION  
FOR THE CERTIFICATE  
IN  
BUSINESS MANAGEMENT**

**COURSE CODE: CBB 100**

**COURSE TITLE: BUSINESS STUDIES**

**DATE: MONDAY, 1<sup>ST</sup> AUGUST 2022    TIME : 11:00 -1:00PM**

**INSTRUCTIONS TO CANDIDATES**

**ANSWER QUESTION 1 AND ANY OTHER TWO (2) QUESTIONS**

MMUST observes ZERO tolerance to examination cheating

This Paper Consists of 2 Printed Pages. Please Turn Over.

**QUESTION ONE. (30 Marks) - COMPULSORY**

- a) Business and society are like two sides of the same coin. Explain any FOUR importance of business society (8 Marks)
- b) Describe the various external environmental forces that affect the day to day running of a business (8 Marks)
- c) Explain the circumstances under which a partnership can be dissolved (8 Marks)
- d) Explain the characteristics and functions of money (6 Marks)

**QUESTION TWO (20 Marks)**

- a) Describe the factors of production in an input output model of a business firm (8 Marks)
- b) Elucidate the objections against profit maximization in a business firm (6 Marks)
- c) Discuss the roles of commercial banks in doing business (6 Marks)

**QUESTION TWO (20 Marks)**

- a) The future of the Kenyan youth relies on entrepreneurship. Discuss any FIVE factors which could be taken into consideration while selecting a form of business organization (10 Marks)
- b) Define utility and explain the various types of the same that exist (10 Marks)

**QUESTION FOUR (20 Marks)**

- a) Using relevant examples in Kenya, describe why ethics has become a major concern in business society today (10 Marks)
- b) Discuss the advantages of running a company in Kenya. (10 Marks).

**QUESTION FIVE (20 Marks)**

- a) In detail explain the major management functions in a business. (10 Marks)
- b) Discuss any FIVE characteristics of a sole proprietorship (10 Marks)