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(*University of Choice*)

MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY

(MMUST)

MAIN/BUNGOMA/WEBUYE/ CAMPUS

UNIVERSITY EXAMINATIONS

2023/2024 ACADEMIC YEAR

FORTH YEAR SECOND SEMESTER EXAMINATIONS

FOR THE DEGREE

OF

BACHELOR OF COMMERCE

COURSE CODE: BCF 460

COURSE TITLE: BUSINESS MODELLING

DATE: Wednesday 17TH April 2024 **TIME: 3.00-5.00pm**

INSTRUCTIONS TO CANDIDATES

Answer **QUESTION ONE** and **ANY OTHER TWO** questions.

TIME: 2 HOURS

MMUST observes ZERO tolerance to examination cheating

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

QUESTION ONE COMPULSORY (30 MARKS)

Kangaroo is a very ambitious young man who just won some lotary to the tune of ksh 10 million, this young man is interested in hardware business but he is worried about possible failure for the same business. Kangaroo has approached many of his friends and has received several advises and is now confused, one of his friend advised him to engage the services of a business consultant as a result you were lucky to be engaged as the consultant. You are required to:

a) Challenges associated with business plans for hard ware business (5marks)
b) Discuss financial planning process for hard ware business (5marks)
c) Explain the process of feasibility study for hard ware business (10marks)
d) Discuss four components of marketing plan for hardware business(5marks)
e) Give reasons why a business plan is important for hard ware business (5marks)

QUESTION TWO (20 MARKS)

i) Discus five dimensions of business viability (10marks)
ii) Describe critical risk factors for hard ware business (5marks)
iii) Describe what you will include in Business as part of business plan(5marks)

QUESTION THREE (20 MARKS)

i) Present an hypothetical SWOT analysis for a proposed Tax consultancy business(10marks)
ii) Explain sustainability plans that you can put in place for a Car wash Business (10marks)

QUESTION FOUR (20 MARKS)

BGM Kakamega has the following plan for the year 2021

Sales (100000 units @30 sh)	3,000,000
Variable cost (100,000 units@20sh)	2,000,000
Contribution (100,000@10sh)	1,000,000
Fixed cost	400,000
Net profit	600,000

What shall be the impact on the firms profit if the following sets of changes were incorporated in the plan

Plan I:increase in price by 24%,decrease in volume by 20%,increase in variable cost by 10% and increase in fixed costs by 4%

Plan II: decrease in price by24%,increase in volume by 24%,decrease in variable costs by 10% and decrease in fixed cost by 5% (20marks)

QUESTION FIVE (20 MARKS)

i) Discuss major issues to consider in coming up with a successful business plan (10marks)
ii) Elucidate on decisions that you will have to make in case of deficit cash flow and a projected loss in a business plan (10marks