INTERNATIONAL UNIVERSITY OF EAST AFRICA
'Learning to Succeed'

FACULTY OF BUSINESS MANAGEMENT

END OF SEMESTER EXAMINATIONS - APRIL 2025

PROGRAMME: BHRM
YEAR/SEM: YEAR 1/SEMESTER 2
COURSE CODE: GMT 1203
NAME: BUSINESS ENVIRONMENT

DATE:
TIME:

INSTRUCTIONS TO CANDIDATES:

SECTION A

SECTION A IS COMPULSORY

Question 1:

SWOT ANALYSIS OF GREEN HARVEST FARMS

GREEN HARVEST FARMS IS A MEDIUM-SIZED AGRIBUSINESS SPECIALIZING IN THE PRODUCTION OF ORGANIC FRUITS AND VEGETABLES. THE COMPANY HAS BEEN OPERATING FOR FIVE YEARS AND HAS BUILT A LOYAL CUSTOMER BASE IN LOCAL SUPERMARKETS AND RESTAURANTS. HOWEVER, GREEN HARVEST WANTS TO EXPAND ITS MARKET REACH AND IMPROVE PROFITABILITY. TO ACHIEVE THIS, THE COMPANY'S MANAGEMENT DECIDES TO CONDUCT A SWOT ANALYSIS TO EVALUATE ITS CURRENT POSITION.

SWOT ANALYSIS FINDINGS:

STRENGTHS: GREEN HARVEST FARMS HAS A STRONG BRAND REPUTATION FOR PRODUCING HIGH-QUALITY, ORGANIC PRODUCE. THE COMPANY HAS STRONG RELATIONSHIPS WITH LOCAL SUPPLIERS AND DISTRIBUTORS. CUSTOMERS ARE INCREASINGLY DEMANDING HEALTHY AND ORGANIC FOOD PRODUCTS. WEAKNESSES: THE BUSINESS RELIES ONLY ON SEASONAL CROPS, MAKING SUPPLY INCONSISTENT. THE COMPANY HAS LIMITED MARKETING AND DIGITAL PRESENCE, WHICH AFFECTS SALES GROWTH. HIGH PRODUCTION COSTS DUE TO ORGANIC FARMING TECHNIQUES. OPPORTUNITIES: EXPANSION INTO E-COMMERCE AND ONLINE GROCERY DELIVERY SERVICES. GROWING AWARENESS AND PREFERENCE FOR ORGANIC AND SUSTAINABLE FOOD. POTENTIAL FOR PARTNERSHIPS WITH LARGE SUPERMARKET CHAINS. THREATS: INCREASING COMPETITION FROM BOTH LOCAL AND INTERNATIONAL ORGANIC FOOD SUPPLIERS. UNPREDICTABLE WEATHER CONDITIONS AFFECTING CROP PRODUCTION. CHANGES

IN GOVERNMENT REGULATIONS ON ORGANIC FOOD CERTIFICATION. NOW, GREEN HARVEST FARMS MUST DECIDE HOW TO LEVERAGE ITS STRENGTHS, ADDRESS ITS WEAKNESSES, TAKE ADVANTAGE OF OPPORTUNITIES, AND MITIGATE THREATS TO GROW ITS BUSINESS.

QUESTIONS:

A) DEFINE SWOT ANALYSIS AND EXPLAIN WHY IT IS IMPORTANT FOR BUSINESSES LIKE GREEN HARVEST FARMS. *(10 MARKS)*

B) IDENTIFY AND EXPLAIN TWO STRENGTHS AND TWO WEAKNESSES OF GREEN HARVEST FARMS. *(10 MARKS)*

C) HOW CAN GREEN HARVEST USE ITS STRENGTHS TO TAKE ADVANTAGE OF NEW OPPORTUNITIES? *(10 MARKS)*

D) DISCUSS TWO WAYS GREEN HARVEST FARMS CAN REDUCE THE THREATS IT FACES. *(10 MARKS)*

Question 2:

The Rise of Local Supermarkets in Uganda – The Case of Capital Shoppers

Capital Shoppers is one of the largest locally owned supermarket chains in Uganda. Competing against international players like Shoprite and Carrefour, it has built a loyal customer base by offering quality goods, loyalty programs, and culturally relevant products.

Its branches are mainly located in urban areas such as Kampala and Mukono. Unlike foreign-owned chains, Capital Shoppers enjoys a reputation for supporting local suppliers, stocking Ugandan-made products, and employing local staff. It has also managed to avoid some of the exit challenges that affected competitors like Nakumatt and Shoprite. However, the supermarket sector remains competitive, and inflation, supply chain disruptions, and changing consumer behavior continue to pose threats.

Questions

a) Conduct a SWOT analysis for Capital Shoppers and explain how it helps in understanding the business environment. **(10 Marks)**

b) Evaluate how local supermarkets can leverage cultural, social, and economic factors to compete with international chains. **(10 Marks)**

c) Explain how the competitive environment in Uganda's retail sector affects strategic decisions by businesses like Capital Shoppers. **(10 Marks)**

d) Discuss the importance of supporting local suppliers and products in shaping business sustainability and national economic growth. **(10 Marks)**

SECTION B

SELECT ANY THREE QUESTIONS IN ALL

Question 1:

a) Define business and explain its key characteristics. *(10 marks)*
b) Differentiate between economic and non-economic activities with relevant examples. *(10 marks)*

Question 2:

a) Discuss the economic and social objectives of a business. *(10 marks)*
b) Explain the importance of profit maximization in business sustainability. *(10 marks)*

Question 3:

a) Differentiate between the internal and external business environment. *(10 marks)*
b) Using PESTEL analysis, explain external factors that influence business operations. *(10 marks)*

Question 4:

a) Define SWOT analysis and explain its importance in business planning. *(10 marks)*
b) Identify and describe two strengths and two weaknesses that a startup business might have. *(10 marks)*

Question 5:

a) Explain the role of human resource planning in an organization. *(10 marks)*
b) Describe two recruitment methods and two employee retention strategies. *(10 marks)*

Question 6:

a) Explain the difference between business risk and business uncertainty. *(10 marks)*
b) Describe two risk management strategies businesses can use to minimize losses. *(10 marks)*

Question 7:

a) Define Corporate Social Responsibility (CSR) and explain its importance in business. *(10 marks)*
b) Describe two CSR activities businesses can engage in to benefit the community. *(10 marks)*

Question 8:

a) Explain the meaning of business ethics and why it is important. *(10 marks)*
b) Identify and explain ethical challenges businesses commonly face. *(10 marks)*

Question 9:

a) Define the term business environment and explain its importance in business operations. *(10 marks)*

b) Identify and describe the five main components of the business environment. *(10 marks)*

Question 10:

a) Differentiate between the internal and external business environment. *(10 marks)*
b) Explain how a company's internal factors (e.g., organizational culture and resources) influence its success. *(10 marks*

Question 11:

a) Explain the effects of technological changes in business for companies. **(10 Marks)**

b) How can a business improve using SWOT to solve the technological changes? (10 Marks)

Question 12:

a) Discuss the importance of business of Ethics in Business (10 Marks)

b) Explain the challenges of applying ethics in business