INTERNATIONAL UNIVERSITY OF EAST AFRICA
'Learning to Succeed'

HIGHER EDUCATION CERTIFICATE

END OF SEMESTER EXAMINATIONS - AUGUST 2025

PROGRAMME: HEC
YEAR/SEM: YEAR 1/SEMESTER 2
COURSE CODE: FDN 1206
NAME: INTRODUCTION TO BUSINESS STUDIES

DATE:
TIME:

INSTRUCTIONS TO CANDIDATES:

SECTION A

Chose any 10 questions from section A and each question takes FOUR Marks.

Question 1:

Define business and explain the main objectives of a business enterprise. (4 Marks)

Question 2:

Define production and explain the different types of production used in business.

(4 Marks)

Question 3:

Explain the concept of globalization and its impact on local businesses.

(4 Marks)

Question 4:

Discuss the importance of communication in business. What are the barriers to effective

communication?

(4 Marks)

Question 5:

Outline the steps involved in starting a new business enterprise.

(4 Marks)

Question 6:

Describe the role of government in business regulation and promotion. Give examples of supportive policies or agencies.(4 Marks)

Question 7:

Discuss the difference between formal and informal business sectors, giving examples. (4

Marks)

Question 8:

Explain the concept of supply and demand and how it affects pricing decisions in business.(4 Marks)

Question 9:

Discuss the importance of record-keeping and accounting in business management.(4 Marks)

Question 10:

Define human resource management and explain its major functions in a business organization.(4 Marks)

Question 11:

Describe the lifecycle of a product and explain how it influences business strategies (4 Marks)

Question 12:

Explain the effect of location in business operations (4 Marks)

Question 13:

Discuss the importance of carrying out a SWOT analysis in a business enviroment (4 Marks)

Question 14:

How is PESTEL used in business analaysis (4 Marks)

Question 15:

Give advantages and disadvanges of coperative type of business (4 Marks)

Question 16:

Explain the advantages and disadvantages of joint venture type of business (4 Marks)

Question 17:

Explain with examples the challenges of starting a business (4 Marks)

Question 18:

Explain the steps that one may take to start a business (4 Marks)

Question 19:

What is e-commerce? Discuss its advantages and disadvantages for modern businesses.

(4 Marks)

Question 20:

Discuss the role of innovation and creativity in maintaining business competitiveness (4 Marks)

SECTION B

Chose any THREE questions from section B and Each Question takes 20 MARKS

Question 1:

Discuss the major types of business activities and their importance in the economy.

(20 Marks)

Question 2:

Differentiate between sole proprietorship and partnership. State the advantages and disadvantages of each. (20 Marks)

Question 3:

Explain the role of entrepreneurship in business development and national economic growth.

(20 Marks)

Question 4:

Describe the internal and external factors that influence the business environment.

(20 Marks)

Question 5:

Discuss the importance of planning and decision-making in a business organization.

(20 Marks)

Question 6:

What are the major functions of management in a business organization?

(20 Marks)

Question 7:

Explain the characteristics and roles of small and medium enterprises (SMEs) in developing economies.

(20 Marks)

Question 8:

Discuss the difference between formal and informal business sectors, giving examples.

(20 Marks)

Question 9:

Explain the significance of ethical behavior and social responsibility in business operations.

(20 Marks)

Question 10:

Describe how technology is changing modern business operations.

(20 Marks)