INTERNATIONAL UNIVERSITY OF EAST AFRICA
'Learning to Succeed'

FACULTY OF BUSINESS MANAGEMENT

END OF SEMESTER EXAMINATIONS - AUGUST 2025

PROGRAMME: MBA
YEAR/SEM: YEAR 1/SEMESTER 1
COURSE CODE: MBA 715
NAME: BUSINESS ENVIRONMENT ANALYSIS

DATE:
TIME:

INSTRUCTIONS TO CANDIDATES:

SECTION A

ANSWER ONE QUESTION

Question 1:

In UK, the allocation of resources is purely based on the forces of demand and supply. This form of economy is a free economy in which competition is embraced and firms have to become efficient to increase their level of competitiveness. The government only intervene to provide the necessary infrastructure and to ensure that consumers are not exploited by the businesses. Besides, the government will formulate policies that ensure fair competition and collect revenues for the country development agenda. With these, businesses must ensure that they operate within the law and abide by the regulations that are set by the state. Barr Company can therefore conduct business in a competitive industry without government interference on what form of business to do or the amount of prices to charge on their products. The management has large latitude of choice to make on how to produce, what to produce.

REQUIRED

a) What are the key elements of the business environment and how do they interact? (10 mks)

b) Discuss the importance of adaptability and flexibility for businesses operating in a dynamic environment (10 mks)

c) Discuss the significance of the social and cultural environment on business operations and marketing strategies. (10 mks)

d) How will the technological environment drive innovation and change in various industries? (10mks)

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SECTION B

answer any three questions

Question 1:

a) How does the business environment (e.g., inflation, interest rates, economic growth) impact business performance? (10mks)

b) Strategic Responses to the Business Environment (10 mks)

Question 2:

1. a) How can businesses foster innovation and creativity to adapt to changing market conditions? (10mks)

   b) Describe the factors to be considered while selecting an appropriate technology and also underline the problems associated with it. (10 mks)

Question 3:

What are the key risks and uncertainities and strategies for businesses to manage risks and uncertainties in the business environment? (20 mks)

Question 4:

Discuss the role of corporate social responsibility (CSR) in building a positive brand image and enhancing long-term sustainability and what are its impact on business? (20 mks)

Question 5:

(a) Define the term ‘opportunity cost’. (10 mks)

(b) Explain one reason why many new businesses fail in their first year of operation. (10mks)

Question 6:

What are the key elements of a successful globolization strategy for businesses seeking international expansion? (20 mks)

Question 7:

a) Evaluate the view that a public limited company should prioritise the aims of its shareholders rather than those of other stakeholder groups. (10mks)

b) In relation to the above question, what is your take on private businesess?(10 mks)

Question 8:

a) What are the key characteristics of a command economy versus a market economy? How do these differences impact business operations and innovation? (10 mks)

b) Discuss the role of government intervention in a mixed economy. Provide examples of how government policies can influence business activity.(10 mks)

Question 9:

a) Compare and contrast the economic systems of two different countries. Analyze their strengths and weaknesses in supporting business growth.(10 mks)

b) Explain how globalization has reshaped the landscape of business and impacted the economic systems of various nations. (10 mks)

Question 10:

a) Analyze the impact of automation and artificial intelligence on employment and the structure of businesses. (10 mks)

b) Discuss the advantages and disadvantages of large corporations versus small and medium-sized enterprises (SMEs) in a globalized economy. (10 mks)

Question 11:

a) Evaluate the economic consequences of protectionist trade measure on domestic and international businesses. (10 mks)

b) What are the economic implications of climate change for businesses, and what strategies can businesses adopt to mitigate these impacts? (10 mks)

Question 12:

a) Discuss the ethical responsibilities of businesses in addressing social issues such as income inequality and poverty. (10 mks)

b) To what extent should businesses be responsible for the social and environmental impact of their operations? (5mks)

c) Evaluate the effectiveness of green bonds and other sustainable finance mechanisms in promoting environmentally responsible business practices. (5mks)