

BOTSWANA OPEN UNIVERSITY

Bachelor of Business and Entrepreneurship

Business Environment

BE211

Sessional Examination

Marks: 100

Time: 3 Hours

Instructions

1. The examination consists of Four sections: A, B, C and D.
2. Begin each answer to a new question on a new page.
3. Answer questions according to instructions given in each section.
4. Write answers in the answer booklet provided.
5. Write in grammatical English.



SECTION – A MULTIPLE CHOICE QUESTIONS

[10 MARKS]

Answer ALL questions in this section.

Choose the best alternative answer.

1. The following are examples of primary industries except _____.
 - A. Fishing.
 - B. Mining.
 - C. Automobile manufacturing.
 - D. Forestry.

2. Hospitality and tourism, banking, financial services, and insurance are examples of _____.
 - A. Primary industries.
 - B. Tertiary industries.
 - C. Secondary industries.
 - D. None of the above.

3. _____ is most often associated with the invention of new products.
 - A. Marketing
 - B. Research and Development
 - C. Production
 - D. Sales

4. Which of the following does not form part of the secondary activities in Porter's five forces?
 - A. Infrastructure
 - B. HR Management
 - C. Procurement
 - D. Inbound logistics



5. The internal factors affecting a business include_____.
- A. Customers, suppliers, distributors and competitors.
 - B. Suppliers, customers, economic factors and social factors.
 - C. Distributors, customers, suppliers and economic factors.
 - D. Competitors, customers, suppliers and social factors.
6. Managers are responsible for_____.
- A. The physical production of goods.
 - B. Planning, organising and leading.
 - C. Ensuring that the organisation makes a profit in the short term.
 - D. Planning, organising, leading and controlling.
7. Barclays Bank of Botswana has decided to close down its non-profitable branches in Tsabong and Francistown. This is an example of a(n) _____ decision.
- A. Tactical.
 - B. Strategic.
 - C. Policy.
 - D. Operational.
8. The Production and operations function includes all of the following except_____.
- A. Product.
 - B. Plant.
 - C. Process.
 - D. Place.



9. In Accounting, an 'account' can be divided into three main categories namely _____.
- A. Personal accounts, real accounts and nominal accounts.
 - B. Personal accounts, nominal accounts and real time accounts
 - C. Nominal accounts, asset accounts and liability accounts.
 - D. None of the above.
10. Dividing the total market into several groups that have similar characteristics is known as _____.
- A. Market penetration.
 - B. Market skimming.
 - C. Market segmentation.
 - D. Market positioning.



SECTION B – TRUE/FALSE QUESTIONS

[10 MARKS]

Answer ALL questions in this section.

State whether each of the following statements is TRUE or FALSE.

1. Secondary and tertiary businesses can survive without the support of the primary industry.
2. Entrepreneurs should clearly understand the economic and market conditions of the environment within which they want to establish a business.
3. The most common forms of business ownership are only limited to sole proprietorships and corporations.
4. The internal and external environment does not affect the operations of a business.
5. The factors to consider in carrying out market analysis focuses only on market size, market growth rate and market profitability.
6. Planning is the activity of management that determines the mission and goals of the organisation as well as the resources that are needed for the task.
7. Interpersonal skills are also referred to as the mental capacity to view the organisation and its parts in a holistic manner.
8. A firm's product should meet certain standards which include performance, quality, reliability and cost.
9. Human resource management functions should only focus on recruitment, selection and placement.
10. Business ethics applies to all business conduct and is relevant to the conduct of individuals and the entire organisation.



SECTION C – SHORT ANSWER QUESTION

[40 MARKS]

Answer ALL questions in this section.

1. List and explain three factors to consider when choosing a business ownership model.
(6 marks)

2. Differentiate between the following:
 - a. Organisational structure and organisational chart. (4 marks)
 - b. Flat organisation and vertical organisation. (4 marks)

3. Describe how the following two principles contribute to effective quality management.
 - a. Continuous improvement. (3 marks)
 - b. Leadership. (3 marks)

4. By use of a relevant example, demonstrate how the marketing mix and marketing utility is applied in marketing. (6 marks)

5. Identify four internal business decisions that can be taken by an entrepreneur. (4 marks)

6. Explain why it is important for a business to have control of its distribution channels. (5 marks)

7. By use of a relevant example, explain how legal factors affect the business environment. (5 marks)



DEGREE
July – December

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SECTION D – ESSAY QUESTIONS

[40 MARKS]

There are three questions in this section. Answer any TWO questions.

QUESTION 1

Discuss the advantages and disadvantages of starting a business as a sole proprietor. **(20 marks)**

QUESTION 2

Deliberate over any five managerial skills required by managers in carrying out their daily activities. **(20 marks)**

QUESTION 3

By use of relevant examples illustrate five different types of market segments and for each market segment explain how/why it would be useful to segment the market in that manner. **(20 marks)**

END OF EXAMINATION