

**BOTSWANA COLLEGE OF DISTANCE  
AND OPEN LEARNING  
In collaboration with  
THE VIRTUAL UNIVERSITY  
FOR SMALL STATES OF THE COMMONWEALTH  
(VUSSC)**

**Bachelor Of Business And Entrepreneurship**

**THE BUSINESS ENVIRONMENT  
BE103**

**Sessional Examination**

**Marks – 100**

**Time allowed: 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. Each question carries ONE (1) mark.

1. Which of the following is the least likely source of funding for small business
  - A. Private Equity Funding
  - B. Venture capital Funding
  - C. Government Grants
  - D. Back Loans
  
2. What is Business Ethics?
  - A. The direction that the business want the follow
  - B. Set of principles that a business demonstrates to its customers and suppliers
  - C. The manner in which the business market itself
  - D. The relationship that the business have with the community
  
3. Which of the following phases or stages is not included in Projects
  - A. Definition
  - B. Evaluation
  - C. Feasibility
  - D. Merging
  
4. The following are disadvantages of the bureaucratic leadership style except \_\_\_\_\_.
  - A. Lack of creativity
  - B. Lack of self- fulfillment
  - C. Dehumanizes a business
  - D. Increased workload for the manager
  
5. Which of the following is not grouped under Production and Operations Management?
  - A. Product



- B. Plant
  - C. Placement
  - D. Program
6. \_\_\_\_\_ is not a step in the Marketing Process?
- A. Customers
  - B. Test marketing
  - C. Fulfillment the need
  - D. Finding a need
7. Demographic is best described by \_\_\_\_\_.
- A. Dividing the market into groups by age, gender, income and similar categories
  - B. Dividing the market into separate geographic areas
  - C. Dividing the market by values, attitudes and interest
  - D. Dividing the market by benefit desired
8. Which of the following questions is an example of primary research?
- A. What are the trends in my industry?
  - B. What are the current economic conditions in my industry?
  - C. What is the state of the labor market in my industry?
  - D. What do my customer's profile look like?
9. When Ford sells automobiles to their customers, their customers are actually buying all of the following except \_\_\_\_\_.
- A. Automobiles
  - B. Fun
  - C. Prestige
  - D. Transportation
10. Decisions on the number of machines to be bought for the business is referred to as \_\_\_\_\_.
- A. Financial decision

- B. Marketing decision
- C. Resource allocation decision
- D. Production decision

**SECTION B – TRUE/FALSE QUESTIONS**

**[10 MARKS]**

**Answer ALL questions. Each question carries ONE (1) mark.**

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

1. An entrepreneur creates a new business and manages it.
2. The autonomy principle argues against deceptive business practices.
3. Automobile manufacturing is an example of a tertiary industry.
4. A company in a primary industry can also be involved in turning natural resources into products.
5. Accounting is more concerned with recording of business transactions.
6. The tertiary sector includes provision of services for other businesses as well as consumers.
7. Ethics are considered the moral standards by which people judge behavior.
8. Wages payable, tax due and borrowed money are examples of expenses.
9. Total quality management is used broadly in North America and Europe.
10. Lack of self- fulfillment is a disadvantage of Autocratic leadership.

**SECTION C – SHORT ANSWER QUESTIONS**

**[30 MARKS]**

**Answer all questions**

1. Give four advantages of a partnership. **(4 marks)**
2. Differentiate between the flat and vertical organizational structure, and give the importance of each? **(4 marks)**
3. Give four advantages of the autocratic leadership style. **(4 marks)**
4. Distinguish between current assets and current liabilities. **(2 marks)**
5. Discuss the following internal factors affecting a business **(3 marks)**
  - a) Customer

- b) Distributor (3 marks)
- 6. Define management and list four functions of management (6 marks)
- 7. Distinguish between bookkeeping and accounting (2 marks)
- 8. Give any two examples of tertiary industries (2 marks)

**SECTION D ESSAY QUESTIONS**

**[50 MARKS]**

**Answer any TWO questions from this section**

**QUESTION 1**

Over the past 30 years the most frequently used model for analyzing the structure of industries is the one proposed by Michael Porter in 1980. Porter's model outlines how competition between and among businesses within an industry depends upon five forces.

Discuss in detail Porter's five forces analysis of market structure (25 marks)

**QUESTION 2**

Market segmentation refers to the process in which the total heterogeneous market is subdivided into smaller, relatively homogeneous groups of consumers with relatively uniform characteristics and needs.

- a) Discuss the following requirements that a segment must meet for it to be useful.
  - i. Identifiability and measurability (3 marks)
  - ii. Sustainability (3 marks)
  - iii. Accessibility (3 marks)
  - iv. Responsiveness (3 marks)
- b) Discuss the types of market segmentation (13 marks)

**QUESTION 3**

Effective marketing can provide a business with a competitive edge by informing the customer about the features and benefits of a product or service. The more effectively marketing is done, the easier it is for a prospective customer to choose a product or service over someone else's.

- a) Define marketing. (2 marks)



- b) Name the three marketing approaches. **(3 marks)**
- c) Briefly discuss the steps in the marketing process. **(20 marks)**