

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

BE211

SESSIONAL EXAMINATION

Marks: 100

3 HOURS

Instructions

1. This 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.

Choose the best alternative answer.

1. _____ is an objective of business.
 - A. Cooperation with government and creation of jobs
 - B. Maximization of short-term profit because the future is uncertain
 - C. Paying part of its profits in taxation for social needs
 - D. Management of its affairs in a manner that will ensure long-term survival

2. The three-step process within marketing segmentation includes _____.
 - A. Segmentation, differentiation and positioning
 - B. Targeting, segmentation, and positioning
 - C. Segmentation, targeting and positioning
 - D. Positioning, mass marketing and segmentation

3. _____ is not a disadvantage for a sole trader.
 - A. Ease in raising capital
 - B. Business continuity
 - C. All profits from the business belong to the sole trader
 - D. A sole trader has total management responsibility

4. Which of the following statements is correct?
 - A. The death of a partner always automatically dissolves a partnership.
 - B. Individual shares in a company can generally be freely sold or transferred to other investors.
 - C. A company has no legal existence apart from its shareholders.
 - D. Members of a partnership can generally limit partnership liabilities.

5. How many levels of management exist in a business?
- A. Depending on the type of business, up to five levels can exist that is owners, directors, executives, line managers, and supervisors.
 - B. Sole traders and partnerships have only one level of management whereas companies have three levels.
 - C. There are only three levels of management that is top, middle and lower management.
 - D. The number of levels would depend on the size and complexity of the business.
6. Which of the following most accurately summarises the main sets of forces affecting organisations?
- A. Existing and potential competitors, suppliers, customers and substitute products or service
 - B. General environmental factors, competitive forces, factors internal to the organisation and the interests of stakeholders
 - C. Government, competitors and consumers
 - D. External stakeholders, management and staff
7. Who owns a corporation business?
- A. Partners
 - B. Stockholders
 - C. Employees
 - D. Board of directors



8. The value chain is subdivided into two main headings being primary activities and _____.
- A. Peripheral activities
 - B. Support activities
 - C. Secondary activities
 - D. Outsourced activities
9. The primary activities in Porter's value chain are _____.
- A. Inbound logistics, operations, outbound logistics, marketing and sales, service
 - B. Procurement, operations, outbound logistics, marketing and sales, service
 - C. Inbound logistics, operations, distribution, marketing and sales, service
 - D. Procurement, operations, distribution, marketing and sales, service
10. The following are basic components of supply chain management except _____.
- A. Plan
 - B. Source
 - C. Process
 - D. Deliver

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. Marketers create segments.
2. Concentrated marketing is also called niche marketing.
3. Psychographic segmentation classifies consumers according to their personalities.
4. Age, income and marital status are all elements of behavioural segmentation.
5. Michael Porter has proposed three generic strategies that provide a good starting point for strategic thinking that is overall cost leadership, differentiation, and focus.
6. Industrial markets can be segmented according to the quantities of product bought.
7. Michael Porter of Harvard has proposed a delivery chain as a tool for identifying ways to create more customer value.
8. Private companies have unlimited liability.
9. The five forces model was developed to determine the relative attractiveness of an industry.
10. Buyer power is high when buyers have few choices.

SECTION C – SHORT ANSWER QUESTIONS

[30 marks]

There are six questions in this section. Answer all questions.

1. Define market segmentation. **(2 Marks)**

2. Differentiate between the following terms:
 - a. Mass marketing and segmentation. **(4 marks)**
 - b. Concentrated marketing (niche) and individual marketing. **(4 marks)**

3. Briefly discuss any four criteria that you would use to evaluate the viability of the segment? **(8 marks)**

4. In marketing, what does the four P's stand for? **(2 marks)**

5. What does PEST stand for? **(2 marks)**

6. Explain the following components of the supply chain management process
 - a. Planning **(2 marks)**
 - b. Sourcing **(2 marks)**
 - c. Making **(2 marks)**
 - d. Delivering **(2 marks)**

SECTION D ESSAY-TYPE QUESTIONS

[50 marks]

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

QUESTION 1

(25 marks)

Read the following statement and answer questions that follow.

Thabo has been appointed a new manager at JK Clothing Manufacturers (JKCM) after being a designer in the company for 8 years. The company is experiencing low productivity. As a consultant to JKCM, you strongly believe the challenges facing JKCM can be overcome if they work as a team.

- a. Define what leadership is to Thabo. **(2 marks)**
- b. Examine the management or leadership styles stating their advantages and disadvantages. **(20 marks)**
- c. Advise Thabo on which style he could adopt to help him to become more effective as a leader so as to improve productivity in a team environment.

(3 marks)

QUESTION 2

(25 marks)

The value chain framework focused on industry attractiveness as a determinant of the profit potential of all companies within that particular industry. Critically evaluate Michael Porter's value chain focusing on the five primary activities and the four support activities.

QUESTION 3

(25 marks)

Any business environment is affected by a number of factors. These factors can be described as either micro or internal factors and macro or external factors. Discuss with examples any five of the macro or external factors.