**BOTSWANA COLLEGE OF DISTANCE AND OPEN LEARNING**

**In collaboration with**

**THE VIRTUAL UNIVERSITY OF SMALL STATES THE COMMONWEALTH (VUSSC)**

**Bachelor of Business and Entrepreneurship**

**THE BUSINESS ENVIRONMENT**

**BE 211**

**SPECIAL EXAMINATION**

**Marks – 100**

**Time Allowed: 3 hours**

---

**Instructions to candidates:**

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

**SECTION A –Multiple Choice Questions** **[10 marks]**

**Answer ALL questions.**

**Choose the best alternative answer**

1. Financial services are an example of _____________.
   A. Secondary Industry
   B. Primary Industry
   C. Commercial business
   D. Tertiary industry

2. _______________________ are for establishing a business and complying with regulations e.g. tax requirements.
   A. Legal requirements
   B. Expected liabilities
   C. Assets
   D. Liability exposures

3. Which of the following is a form of business ownership
   A. Sole proprietorships
   B. Partnerships
   C. Privately-held Corporations
   D. All of the above

4. The functioning of the enterprise is simple and can be easily adapted to changing circumstances is an advantage of_______________.
   A. Sole proprietorships
   B. Partnerships
   C. Privately-held Corporations
   D. All of the above

5. ________________ is the annual increase in product sales within a given market.
   A. Market trends
   B. Critical success factor
   C. Market size
   D. Market growth

6. The letter **"S"** in an acronym PESTLE stands for ___________.
   A. Service
   B. Social
   C. Survival
   D. Success

7. _______________ is defined as the rise in price levels.
   A. Interest rates
   B. Inflation
   C. Profit
   D. Margin

8. _______________ is a method of collecting data.
   A. Questionnaires
   B. Calculations
   C. Check inns
   D. Budgets

9. Porter's value chain analysis is categorised in two forms of activities as follows:
   A. Primary and Social
   B. Primary and support
   C. Secondary and primary
   D. Secondary and tertiary

10. _______________ comprises of a small group of executives who control a business and who have the final say on all business activities.

A. Top management ( strategic)
B. Tactical
C. Middle management
D. Operational

**SECTION B – TRUE/FALSE QUESTIONS** **[10 marks]**

**Answer ALL questions.**

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

1. Interest rates are part of the economic environment which a business operates in.
2. Lower management (operational) are responsible for smaller segments of organisation.
3. Human skills are not needed or required in order to understand other people and to interact with them effectively.
4. A democratic leader issues orders to the subordinates and relies on the power of the organization to enforce them.
5. Reduced stress due to increased control is an advantage of Autocratic leadership.
6. Organising i is the process of arranging people and other resources to work together to accomplish a goal.
7. Continuous improvement is based on internal and external (customer) data and is used to inform the improvement process.
8. The primary purpose of accounting is not to identify and record all activities that impact the organization financially.
9. Managerial Accounting should involve planning for the future. E.g. Financial plans for the coming year.
10. Personal Accounts are the accounts of your creditors (accounts payable) and debtors (accounts receivables).

**SECTION C – SHORT ANSWER QUESTIONS** **[30 marks]**

1. Describe the importance of each of the following business operations:

   **(10 Marks)**

   i. Production (2 marks)
   ii. Research and development (2 marks)
   iii. Marketing (2 marks)
   iv. Sales (2 marks)
   v. Customer service and support (2 marks)

2. Explain the following:

   i. Personal Accounts (2 marks)
   ii. Real Accounts (2 marks)
   iii. Nominal Accounts (2 marks)
   iv. Liabilities (2 marks)
   v. Equity (2 marks)

3. Explain the following terms; **(10 Marks)**

   **i.** Financial Accounting (5 marks)

   ii. Management Accounting (5 Marks)

**SECTION D: ESSAY-TYPE QUESTIONS [50 marks]**

**Answer any TWO (2) questions.**

1. Discuss all the factors affecting the macro-environment of a business **(25 Marks)**

2. Temo wants to start a catering business and the first thing he needs is startup capital for his small business. Identify and assess, five sources of funding for small businesses like Temo's in Botswana **(25 Marks)**

3. Identify any three of the styles of leadership; and in each give three advantages and three disadvantages of each. **(25 Marks)**

***END OF THE PAPER***