



# THE MOMBASA POLYTECHNIC UNIVERSITY COLLEGE

(A Constituent College of Jkuat)

*Faculty of Engineering and Technology*

## DEPARTMENT OF COMPUTER SCIENCE & INFORMATION TECHNOLOGY

UNIVERSITY EXAMINATIONS FOR DEGREE IN  
BACHELOR OF TECHNOLOGY ICT (Btech. ICT 11M)

**EIT 4105 : FOUNDATION OF BUSINESS**

END OF SEMESTER EXAMINATIONS

**SERIES:** AUGUST/SEPTEMBER 2011

**TIME:** 2 HOURS

### **Instructions to Candidates:**

You should have the following for this examination

- *Answer Booklet*

This paper consist of **FIVE** questions in **TWO** sections **A & B**

Answer question **ONE (COMPULSORY)** and any other **TWO** questions

Maximum marks for each part of a question is as shown

This paper consists of **THREE** printed pages

### **SECTION A (Compulsory – 30 MARKS)**

#### **Question 1**

a) Write short notes on the following terms

- i. Business environment
- ii. Organizational structure
- iii. Budgeting
- iv. Transfer pricing
- v. Elasticity of demand (10 marks)

b) Give an account of the challenges faced by the modern business organizations? (10 marks)

c) Define the term demand and explain the factors influencing the demand for a commodity? (10 marks)

### **SECTION B (Attempt any TWO questions)**

**Question 2 (20 Marks)**

a) The following trial balance was extracted from the books of PQ ltd as at 31<sup>st</sup> December 2007

	Dr	Cr
Opening stock	350,000	
Purchases	1,100,000	
Sales		2,100,000
Wages	250,000	
Office expenses	90,000	
Returns inwards	100,000	
Returns outwards	50,000	
Carriage on sales	81,000	
Rent and rates	160,000	
Capital account		851,000
Creditors		360,000
Debtors	750,000	
Cash at bank	350,000	
Office furniture	120,000	
	<b><u>3,351,000</u></b>	<b><u>3,351,000</u></b>

Additional information

Closing stock as at 31<sup>st</sup> December was valued at ksh.300,000

Required :

- Prepare a trading profit and loss account for the period ended 31<sup>st</sup> December 2007 (8 marks)
- Prepare a balance sheet as at the same date (5 marks)

b) Briefly explain any three concepts or principles used in bookkeeping (6 marks)

**Question 3 (20 Marks)**

a) Briefly comment on the government involvement in business activities? (10marks)

b) Explain the factors influencing the consumer behavior? (10marks)

**Question 4 (20 Marks)**

Critically analyze the environments on which the business enterprises operate? (20marks)

**Question 5 (20 Marks)**

- a) Highlight the distinctive features between a sole proprietor and a partnership? (10marks)
- b) What are the major functions of human resources department in a business enterprise? (10marks)