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BBA 101
BBA 101 CAT 1

Q1 a). XYZ banks sponsor at least forty secondary school students up to form four throughout the country. discuss the benefits likely to be enjoyed by the bank from this act. (10 Marks)

a). Increased Brand Awareness

The bank's name will likely be associated with the sponsorship program in schools, media, and communities.

This increases visibility, especially in rural or underserved areas where the sponsorship may reach, enhancing brand recognition.

b). Enhanced Corporate Image and Reputation

By sponsoring students, XYZ Bank demonstrates corporate social responsibility . This helps build a positive image and strengthens public trust.

A good reputation can influence customer preferences, leading to increased customer loyalty.

c). Expansion of Customer Base

Through goodwill generated by the sponsorship, the bank may attract new customers from communities that feel supported.

This can lead to an increase in savings accounts, student accounts, and other banking products.

d). Improved Customer Loyalty and Retention

Communities that benefit from the sponsorship are likely to view the bank favorably.

Families of sponsored students may become loyal customers, and this loyalty may extend into future generations.

e). Improved Customer Loyalty and Retention

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f). Fulfillment of Corporate Social Responsibility

Sponsorship helps the bank meet its CSR objectives. This aligns with ethical business practices and contributes to sustainable development, especially in the education sector.

g). Strengthened Stakeholder Relationships

Engaging in educational support helps XYZ Bank build strong relationships with

government bodies, educational institutions, and NGOs.

These relationships can lead to strategic partnerships and more opportunities.

b). Mwangi has just graduated from university. He intend to start a business College. Discuss te various possible source of finance for his business. (5 Marks)

a).Family and Friends

he may seek financial support from relatives or close friends. This form of informal financing often comes with flexible repayment terms and little or no interest.

b).Personal Savings

Mwangi can use his own savings to finance the startup costs. This is often the first source of capital for new entrepreneurs and shows commitment to the business.

c).Loans from Commercial Banks

He can apply for a business loan from a bank to fund expenses such as renting premises, buying furniture, and paying staff.

He would need a solid business plan and possibly collateral

d).Government Youth or Startup Funds

He can explore government-sponsored funds such as Youth Enterprise Development Fund or Uwezo Fund in Kenya, which are designed to support young entrepreneurs.

e).Partnerships or Investors

Mwangi can partner with individuals who are willing to invest in the college in exchange for a share of ownership or profits.

Q2 a). discuss the various factors that a entrepreneur needs to consider before starting a business in kenya. (8 Marks)

a). Cultural and Social Factors

Kenya is culturally diverse, and consumer behavior varies by region and community. Entrepreneurs should consider local customs, language, religion, and social norms that may influence how their products or services are received and marketed.

b).Competition

It is important to analyze existing competitors to understand their products, pricing strategies, market share, and customer base. This helps in identifying your competitive advantage and niche market, as well as in crafting effective marketing strategies

c).Location

Choosing the right location is important for attracting customers, suppliers, and employees. Factors such as proximity to markets, availability of infrastructure (roads, electricity, internet), and security should be considered to optimize operations and reduce costs.

d).Access to Finance

Starting a business requires capital. Entrepreneurs need to evaluate their financial capacity and explore funding options available in Kenya, such as bank loans, microfinance, angel investors, venture capital, or government support programs like those from the Youth Enterprise Development Fund or Women Enterprise Fund.

e).Legal and Regulatory Environment

Kenya has specific laws and regulations that govern business operations. An entrepreneur needs to understand the process of business registration, obtain necessary licenses and permits, comply with tax laws, and adhere to industry-specific regulations. Failure to comply can result in penalties or even closure.

f).Market Demand

Before starting, it's crucial to understand whether there is a genuine need for your product or service in Kenya.

Conducting thorough market research helps identify potential customers, their preferences, buying habits, and how large the market is. This ensures that your business idea has the potential to attract enough customers to be profitable

g).Economic Environment

The overall economic climate affects business profitability. Entrepreneurs should consider factors like inflation, interest rates, exchange rates, government economic policies, and economic stability. For example, high inflation might increase costs, while favorable policies may provide incentives.

h).Availability of Skilled Labor

The availability, skill level, and cost of labor in Kenya are vital considerations. Entrepreneurs need to assess if the local workforce has the necessary skills or if training will be required. Labor laws and employment practices also impact how you hire and manage staff.

b). Discuss the government's role in managing the economy. (7 Marks)

a).Maintaining Economic Stability

Through fiscal and monetary policies, the government controls inflation, unemployment,

and stabilizes the currency to create a stable economic environment.

b).Formulating Economic Policies

The government creates policies on taxation, spending, and monetary control to influence economic growth, inflation, and employment.

c).Regulation and Control

It regulates businesses to ensure fair competition, protect consumers, control monopolies, and maintain quality standards.

d).Provision of Public Goods and Services

The government provides essential services like infrastructure, education, healthcare, and security that the private sector may not efficiently supply.

e).Redistribution of Income

It uses taxation and social welfare programs to reduce income inequality and support vulnerable groups in society.

f).Managing External Relations

It oversees trade policies, negotiates international agreements, and manages foreign exchange to protect the economy from external shocks.

g).Promoting Economic Development

The government invests in sectors like agriculture, industry, and technology to stimulate growth and create jobs.