



THE KENYA NATIONAL EXAMINATIONS COUNCIL

Qualification Code : 041306T4BUS
Qualification : BUSINESS MANAGEMENT LEVEL 6.
Unit Code : BUS/OS/BM/CR/09/6
Unit of Competency : COORDINATE BUSINESS DEVELOPMENT

WRITTEN ASSESSMENT

INSTRUCTIONS TO CANDIDATE

Time allocated: **THREE (3) Hours.**

This paper has two sections **A and B**. Attempt questions in each section as per instructions given in the section.

You are provided with a separate answer booklet.

Marks for each question are indicated in the brackets.

Do not write on the question paper.

This paper consists 4 printed pages.

Candidates should check the question paper to ensure that all pages are printed as indicated and that no questions are missing

SECTION A: (40 MARKS)

Attempt ALL questions in this section

1. New markets are identified and tracked according to PESTLE. Define PESTLE analysis as used in business management. (2 Marks)
2. Explain FOUR elements of a business development plan used by social media managers to guide in creating internet based messages. (4 Marks)
3. Outline the steps that a business manager can follow to establish operational gaps in a business. (4 Marks)
4. State FOUR factors to consider when evaluating a viable business opportunity. (4 Marks)
5. List FOUR reasons why a new business may fail. (4 Marks)
6. List FOUR items that a manager can use to monitor a business sales turnover. (4 Marks)
7. Standard Operating Procedure (SOP) has become a common feature in assisting management of organizations realize the set goals. Define SOP. (2 Marks)
8. State FOUR types of business decisions that are made using standards operating procedures. (4 Marks)
9. Identify FOUR business turnover indicators. (4 marks)
10. State FOUR roles of customer relations manager. (4 Marks)
11. List FOUR benefits that may accrue to an organization that practices good relations. (4 Marks)

SECTION B: (60 MARKS)**INSTRUCTIONS;**

Answer Question TWELVE and ANY other TWO questions in this section.

12. Read through the case study below and answer the questions that follow.

El Classico is a hotel operating in a less busy part of Kilifi County. The owner, Mr. Kanze, firmly believes that there is a need for this style of low-cost family accommodation amid the luxury and beauty of the area. His rooms are large, family-style rooms, without television. Although there is plenty of room for future expansion, the grounds are fairly bear with a bit of landscaping, but mostly grass. Mr. Kanze serves breakfast in the rooms and provides tea-making facilities. There are a lot of good restaurants and take-away outlets in the area. Mr. Kanze's prices are less than half of what similar hotels charge and only a fraction of what the big five-star hotels charge. Moreover, he isn't all that far away from the beach, shops and other attractions. The problem is occupancy. He has some regular customers who come every holiday period (and have been doing so for the four years he has owned the hotel). Overall, occupancy is about 50% year round and he knows from the local tourist office that the other hotels average around 68% occupancy all year round. New developments could mean trouble. This lack of occupancy can be quite frustrating for Mr. Kanze. Currently, Mr. Kanze does very little advertising in local television stations and newspapers, mainly because he really thinks word-of-mouth is the best form of advertising. He is a member of the local tourist committee, but too busy to attend meetings. However, he does receive the local statistics and knows the average stay in the area is 3.8 nights, and that local families, couples and increasingly overseas visitors are his potential customers. He's not desperate yet, but he's getting worried and disillusioned.

- a) Use of SWOT analysis is becoming a common practice in most businesses. What does SWOT stand for in full. (2 Marks)
- b) Mr. Kanze has hired you as a business manager to help him improve his hotel business. Conduct a SWOT analysis of El Classico Hotel. (8 Marks)
- c) From the SWOT analysis in (b) above, advise Mr. Kanze on the immediate short term solutions to improve the business. (2 marks)

- d) Explain FOUR reasons why a business manager at El Classico hotel, should use SWOT analysis. (8 Marks)
13. For a business to operate, activities need to be divided into several functional areas
- a) Define the term functional area as used in a business set up. (2 Marks)
- b) One of the functional area of a business is Human Resource Department. Explain FOUR functions of this department. (8 Marks)
- c) Describe the steps that should be followed in developing a business policy and procedure. (10 Marks)
14. Market surveys are essential to the success of every business; whether new or existing.
- a) Define the term Market Survey. (2 Marks)
- b) Explain FOUR reasons why one should conduct a market survey for their business. (8 Marks)
- c) Describe FIVE market survey tools that a business should use when gathering information from customers. (10 Marks)
15. Mzuri Leatherworks Company is a local footwear manufacturer. The management intends to take its staff on a benchmarking tour.
- a) Describe FIVE steps to be followed in the benchmarking process. (10 marks)
- b) Explain FIVE areas that will be the basis of benchmarking. (10 marks)