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**FUNDAMENTALS OF MANAGEMENT
AND ENVIRONMENT**

November 2016

Time: 3 hours



THE KENYA NATIONAL EXAMINATIONS COUNCIL

**CRAFT CERTIFICATE IN BUSINESS MANAGEMENT
CRAFT CERTIFICATE IN PROJECT MANAGEMENT
MODULE I**

**BUSINESS EDUCATION SINGLE AND GROUP CERTIFICATE EXAMINATIONS
STAGE II**

FUNDAMENTALS OF MANAGEMENT AND ENVIRONMENT

3 hours

INSTRUCTIONS TO CANDIDATES

*This paper consists of **TWO** Sections; **A** and **B**.*

*Answer **ALL** questions in Section **A**.*

*Answer any **FOUR** questions from Section **B**.*

Write your answers in the answer booklet provided.

*Candidates should answer the questions in **English**.*

This paper consists of 3 printed pages.

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

Answer ALL the questions in this section.

1. State **three** ways in which a business may demonstrate its corporate social responsibility to its suppliers. (3 marks)
2. State **three** categories of executives who belong to the top level of management in an organization. (3 marks)
3. List **four** documents that may be found in the personal file of a new employee in an organization. (4 marks)
4. State **three** schools of management thought that may be used to guide management practice in an organization. (3 marks)
5. Outline **three** limitations of using modern technology in the operations of a business organization. (3 marks)
6. List **three** activities that are carried out during production control in an organization. (3 marks)
7. Outline **three** advantages of the line organization structure. (3 marks)
8. List **two** time based plans that may be used by an organization. (2 marks)
9. State **four** factors that an organization should consider when choosing a system of storing documents in an office. (4 marks)
10. Outline **four** sources on which organizations may base their business ethical standards. (4 marks)

SECTION B (68 marks)

Answer any FOUR questions from this section.

11. (a) Explain **four** benefits of setting clearly understood objectives during the planning process in an organization. (8 marks)
- (b) Outline **six** circumstances under which an organization may lay-off some of its employees. (9 marks)
12. (a) Explain **six** types of budgets that may be used in an organization. (9 marks)
- (b) Describe **four** steps that are followed by a manager in the process of organizing activities in an organization. (8 marks)

13. (a) Explain **six** duties of the lowest level of management in an organization. (9 marks)
- (b) Give **four** reasons why some organizations may **not** be willing to take part in corporate social responsibility. (8 marks)
14. (a) Give **six** reasons that have led to the increased use of computerized record keeping in organizations. (9 marks)
- (b) Outline **four** benefits that an organization may get from motivating its employees. (8 marks)
15. (a) Outline **six** duties that a messenger may be required to carry out in an office. (9 marks)
- (b) Highlight **four** differences between office management and office administration. (8 marks)

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