

UNIVERSITY OF SWAZILAND

FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS ADMINISTRATION

SUPPLEMENTARY EXAMINATION PAPER, NOVEMBER 2010

TITLE OF PAPER : BUSINESS ENVIRONMENT

DEGREE AND YEAR : DIP.COMM 1

COURSE CODE : BA 111

TIME ALLOWED : THREE (3) HOURS

INSTRUCTIONS :

- 1. THIS PAPER CONSISTS OF SECTIONS (A) AND (B)**
- 2. THE CASE STUDY ON SECTION (A) IS COMPULSORY. TOTAL MARKS POSSIBLE: 40 MARKS**
- 3. ANSWER ANY THREE QUESTIONS FROM SECTION (B): TOTAL MARKS POSSIBLE: 60 MARKS**

NOTE: MARKS WILL BE AWARDED FOR GOOD COMMUNICATION IN ENGLISH AND FOR ORDERLY PRESENTATION OF WORK

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SECTION A

Mr Sipho Mamba who had completed his university studies some four years previously had not been able to secure a job for the better part of that period. Then six months ago, his uncle, Mr. Mandla Dlamini, who works for the Government presented him with a proposition for starting a business. Mr. Dlamini explained that he had identified an opportunity to supply the Government with stationery on a contract through his connections among his work colleagues.

He proposed that he and Mr. Mamba should start a stationery supply business. Mr. Dlamini explained that as a Government employee, he was not permitted to operate a business. Therefore, the company registration documents will reflect Mr. Mamba as the sole shareholder, however, they will also sign under oath that proceeds of the business shall be shared between the two of them.

Initially, there was a shortage of stationery suppliers, hence it was relatively easy to secure a contract. However, after a period of two years, it became difficult as more suppliers tendered for the contracts. At the same time, Mr. Dlamini was transferred to the tender committee and was in a position to influence the tender process, ensuring that a person of his choice is awarded the tender. He decided to ensure that the business was awarded contracts annually. This abnormality was finally picked up by the Government auditor but the anti corruption unit failed to prosecute due to the absence of a direct link between Mr. Dlamini and the business. Moreover, there was no code of ethical behaviour in relation to participation in the tender awarding committee vis-à-vis awarding contracts to a members' relatives.

Questions

- (a) Discuss the reasons or causes of the unethical behaviour by this enterprise. (20 marks)
- (b) Mr. Mamba is a strongly religious individual and would not want to be associated with any behaviour that might be deemed to be illegal or immoral, however, he is not too sure whether this business action is ethical or not. Discuss the tests he can conduct to determine if this is so? (20)

SECTION B

1. Workforce diversity refers to the combination of people who bring a variety of backgrounds, lifestyle, perspectives, values and beliefs as assets to the groups and organizations in which they are participants. List and explain the benefits of such diversity to business organizations. (20 marks)
2. Political, legal and regulatory environments, although external to business activities have a substantial and significant impact to how business is conducted and performance. Businesses can only strategise to mitigate the impact of these environments as direct manipulation is not possible. List and discuss the strategies that businesses can engage to participate in the political arena and influence political agendas for the benefit of their businesses. (20 marks)
3. Suppliers, competitors and consumers constitute the market environment to businesses. Discuss the following issues in relation to customer participation. (20 marks)
 - (i) How customers participate in this environment
 - (ii) Customers' importance to businesses,
 - (iii) How businesses can segment customers.
 - (iv) What and how information can be transmitted to them
 - (v) What influences customer power over businesses
4. Shareholders are simply the owners of a business. Discuss the rights and benefits of a shareholder. At what point can one be legally considered a shareholder and what is majority shareholding? (20 marks)