

UNIVERSITY OF SWAZILAND

FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS ADMINISTRATION

MAIN EXAMINATION PAPER, MAY 2012

TITLE OF PAPER : BUSINESS ENVIRONMENT

DEGREE AND YEAR : DIP.COMM 1 IDE

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

The Lavumisa Mining Company (Pty) Ltd (LMC) has been mining asbestos in the country for more than ten years and made significant profits for its shareholders and contributed immensely to the Swaziland government revenue in the form of tax contributions over the years. However, the area in which the mine is located remains one of the poorest regions in the country and it has been discovered that most of the mine workers end up developing asbestosis, a lung disease resulting from asbestos particles inhalation over time. The Lavumisa river is also contaminated with asbestos particles and the Ministry of Environmental Authority has declared the water unsafe for domestic use.

The LMC endeavours to hire members of the community for unskilled labour requirements. However the community has expressed dissatisfaction at the conditions of employment including low wages, poor working conditions, and the NMCs failure to compensate and pay medical bills for the sick employees. Some employees have even instituted legal action against the LMC.

The LMC asserts that it would be financially irresponsible to engage in any financial commitment that would divert funds from its main objective, which is mining, and therefore it cannot deal with the issues raised by the community. The government has cautioned the LMC against disposal of the waste material in the river and directed it to find a way to mitigate the effect of this practice. The LMC responded by establishing a water purification project and sells purified water to members of the community.

Questions

- (a) Discuss some of the arguments for and against Corporate Social Responsibility as they relate to the above case (20)
- (b) Suggest ways and activities that the LMC can implement to initiate an effective and responsive CSR program for the community. (20 marks)

SECTION B

1. 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
2. Explain the indicators and impact of drug abuse amongst employees in the workplace and the key challenges of workplace testing. (20 marks)
3. The world is said to have become a global village. Business performance is greatly affected and influenced by events that occur in the international arena. Discuss, using examples, the factors in the international arena, that affect businesses in Swaziland. (20 marks)
4. Why is it important for businesses to have HIV policies? Explain the effects of HIV in the business place? What are the provisions of a good company HIV policy? (20 marks)