

**UNIVERSITY OF SWAZILAND**

**FACULTY OF COMMERCE**

**DEPARTMENT OF BUSINESS ADMINISTRATION**

**MAIN EXAMINATION PAPER, NOVEMBER 2011**

**TITLE OF PAPER : BUSINESS ENVIRONMENT**  
**DEGREE AND YEAR : B.COM, YEAR 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**

**DO NOT OPEN THIS PAPER UNTIL THE INVIGILATOR HAS GRANTED PERMISSION**

## SECTION A

Ms. Busy Bee was a chef at one of the largest hotels in Swaziland. Although she enjoyed her job and earned a good salary, she had a dream to start her own business. One day she resigned from her job and started a catering business. With only E10,000 available, she started on a very small scale, working from her garage. She bought the most important equipment. Today, after only two years in the business, she owns a successful catering business, with many of the largest companies in the country as her clients. The business has different divisions. They have catering services for corporate clients, private functions for weddings or at private homes, a personnel restaurant for one of their corporate clients and a restaurant at one of the large shopping centres in Manzini town.

When asked what she considered to be the secrets of her success, she mentioned a combination of factors:

Business knowledge: As I did not have business knowledge I appointed a partner. Together we are an excellent team, I have the technical know how, and he has the knowledge for business.

Ownership: I, as the founder of the company own 51% of the business and the rest is owned by my partner. We do worry about the future of the project in case one of us passes away. So we both have life insurance and our spouses also work in the business.

Planning: I planned for weeks what my objectives are and the actions to take to meet those objectives. Before every catering job, I also plan everything in detail.

Personnel: I am also personally responsible for all staff recruitment and we train our staff on the job. I make sure that we retain trained staff by paying salaries slightly above the industry average.

Quality: our motto is to use the freshest and best ingredients in our cooking. I, as an experienced chef, make sure that I have a hand in the preparation of every meal, for that personal touch.

Marketing: We always try to introduce a new dish on the menu every month, and our competitors copy them almost immediately. But we are always a step ahead.

Suppliers are more than two for each product supplied because we do not want to run out of ingredients for our dishes and we want to have all the usual dishes on the menu all the time.

Business environment: the recession has resulted in a loss of income as corporations have reduced their budgets for special events like Christmas parties. But we have embarked on an advertising drive to expand our service to private functions to stabilise business income.

The Government: keeps changing regulations for the importation of fresh produce. This is frustrating as some of our suppliers have stopped doing business. We are trying to find alternative suppliers. The new tax regime is also compelling us to hire an accountant in order to comply with their demand for financial information.

## Questions

- (a) Identify and categorize the variables affecting the business into Internal, Market and External environment variables, and explain how they impact the business (20 marks)
- (b) Discuss how Ms. Bee is controlling and / or mitigating the impact of these variables. (20 marks)

## SECTION B

1. Define sexual harassment in the workplace and discuss the actions that constitute such action. When can organizations be held liable for sexual harassment and how can they safeguard themselves against such action? (20 marks)
2. Corporate Social Responsibility is an obligation over and above that required by law and economics to pursue long term goals that are good for society, founded on the concept that business has social obligations above and beyond making profit. However, this view is debatable. Discuss the arguments for and against CSR. (20 marks)
3. Define ethics in the context of organizations and discuss the various views of ethics. What are the causes of unethical behavior in an organization? (20 marks)
4. Employees are a very crucial part of the internal environment of a company. Recruitment of employees is an important process. Discuss the various methods and/or sources of recruiting describing the advantages and disadvantages of each method or source. (20 marks)