

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
MAIN EXAMINATION
NOVEMBER 2018

TITLE OF PAPER : **BUSINESS ENVIRONMENT**

DEGREE : **B.COMM**

COURSE CODE : **BUS 305**

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 (COMPULSORY)

The Warrior Country Club is traditionally an exclusively male establishment where women had never set foot before 1990, neither as members or staff. The club a previous enclave of colonialists before independence slowly evolved from being a “whites only” club to allowing access to civil servants in middle to upper level management after the country attained its independence in 1968. Despite this liberalization, the ban on female members remained in place. It was advertised as the place where men go to get away from womenfolk. Initially the club boasted of a bar and sports facilities including a pool table, a darts corner and an all-purpose sports field. Over the years a squash court, tennis court, a bowling alley and swimming pool were added. Eventually the members realized the need to initiate income generating activities in order to maintain the club and its facilities. Towards this purpose, the club constructed hotel facilities, taking advantage of its close proximity to the city centre. The hotel had all the necessary amenities such as a restaurant which was open to the general public, laundry services and conference facilities.

In this way the club was ushered into a new era as it was compelled to hire women to work in the hotel, restaurant and laundry. The bar remained a no go area for women and membership remained restricted. However a non-discriminatory Government regulation in all areas of business enforced upon institutions made it difficult for the club to maintain this restriction. And it could not deny access to hotel and restaurant customers without attracting public outcry and denying itself much needed revenue. The bar area also observed the legal access age limit of 18 years, however, club membership retained a minimum age limit of 30 years old, a policy that had not been changed since the club was established by colonialists in 1960. This was proving to be an inconvenience to many young professionals who had the financial means to join the club and wanted to use the facilities.

A socially conscious prominent member of the club introduced the issue of demographic diversity policy to the club main committee in an effort to make them realise the need to allow more members to join and use the club. He presented them with statistics of the income generated by the club from non-members; most of who were those not permitted to join the club and used the facilities on an ad hoc basis. It was more than 50% of the income made from membership fees. And the pressure to liberalise membership access from the general public was mounting, and the club was generally perceived negatively as the last bastion of colonial oppression in the country. This had adverse effect on the customer base for the income generating activities. Some members also decided that more income generating activities such as a pre-school and a creative arts centre could be a viable addition but in the absence of women members it was difficult to conceptualize these ideas. It was also apparent that some if not most of the exclusion policies were out-dated and morally unacceptable. The committee decided that a strategy for demographic inclusion and diversity was required and tasked a sub-committee to compile it and present it at the next meeting.

Questions

- (a) The company has initiated an effort to cultivate and maintain demographic diversity in the club. Define diversity and discuss the benefits it shall derive from doing so. (20 marks)
- (b) Do you think the diversity efforts of the company adequately address the primary dimensions of diversity? (10 marks)

(c) What are the strategies that it can employ to further enhance diversity? (10 marks)

SECTION B (ANSWER ANY THREE QUESTIONS)

Question 1

Company annual performance reports now go beyond just a report on the bottom line or financial performance. They articulate the broader range of measures that contribute to long term value and the role a company plays in society. Explain the guiding principles and elements of integrated performance reporting. (20 marks)

Question 2

Shareholders are a stakeholder in a company's internal environment. Discuss the various types of shareholders and the types of features of the shares that they each hold. (20 marks)

Question 3

Competitors are an important factor in the market environment of a business as they provide similar and substitute products and services. Use examples to explain some of the factors that affect the power of competitors in business. (20 marks)

Question 4

Civic bodies reside in the external environment of businesses but may have a significant impact on business operations and success. Civil refers to the full range of informal and formal organization through which citizens pursue common interests such as NGOs, Cooperatives, Action groups, Religious bodies, Mass movements, political parties, trade / professional bodies, CBOs. Use examples to discuss the role of civic bodies and their potential impact on businesses. (20 marks)