

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
SUPPLEMENTARY EXAMINATION PAPER, JULY 2018

TITLE OF PAPER : **BUSINESS ENVIRONMENT**

DEGREE : **B. COM.**

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 ORDERLY PRESENTATION OF WORK.**

THIS PAPER IS NOT TO BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR.

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 companys' 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 marks)
- (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

Question 1

Companies may use several methods to recruit employees into the organization. Discuss and analyse the various recruitment methods in terms of the advantages and disadvantages of each method. (20 marks)

Question 2

Explain the meaning of corporate governance and use examples to discuss the features of good corporate governance. (20 marks)

Question 3

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 4

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)