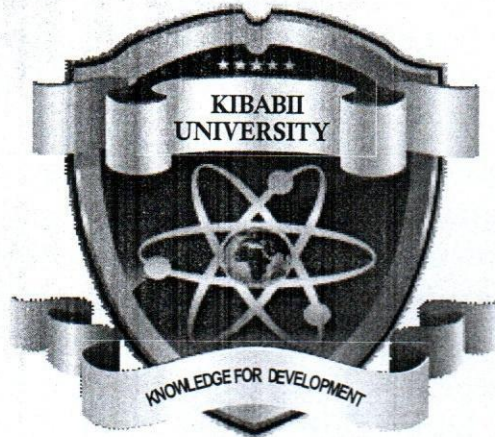


# KIBABII UNIVERSITY



## UNIVERSITY EXAMINATIONS

**2019/2020 ACADEMIC YEAR  
THIRD YEAR FIRST SEMESTER  
MAIN EXAMINATION**

**FOR THE DEGREE OF BACHELOR OF COMMERCE  
COURSE CODE: BCE 311  
COURSE TITLE: ENTREPRENEURSHIP**

**DATE: 18/11/2020**

**TIME: 9.00 – 11.00AM**

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### INSTRUCTION TO CANDIDATES

- 1) The paper contains **FIVE** questions
- 2) Attempt **THREE** questions
- 3) Question **ONE** is Compulsory

**TIME: 2 Hours**

**KIBU observes ZERO tolerance to examination cheating**

## **QUESTION ONE**

Wamumali is a former student of Kibabii University who undertook entrepreneurship among other Modules. After graduating from Kibabii University with a second class honors in 2017, Wamumali was lucky to find a job with Nzoia Sugar Company as a casual laborer. However, his happiness was short lived as the company soon started experiencing heavy production costs, lack of raw materials among many challenges hence most casual workers were laid off including him. Wamumali pondered on what next step to do. He remembered the knowledge on starting and running a business venture which his entrepreneurship lecturer had instilled in him while at the university. He contemplated starting a small business but kept on wondering which business he would do and whether this would really work since none of his family had ever done business. At this point, he recalled the lesson his lecturer had taught him on entrepreneurial myths. He shared his business idea with friends who helped him raise Kshs.100, 000. Together with his meager savings of Kshs. 20,000, he started a tent and chair hiring business. He was very innovative on how he was running his enterprises and when he got a job that would outweigh his capacity and capability, he outsourced the services.

### **REQUIRED:**

- a) Going through the above case study, describe the major changes that create opportunities for entrepreneurs **(8marks)**
- b) "Innovation through the introduction of Adwords changed the advertising world". With the help of examples, explain how Wamumali could use this innovation to improve his business **(6marks)**
- c) Highlight five internal and five external sources of finance for an aspiring entrepreneur like Wamumali. **(5marks)**
- d) What are the advantages Wamumali gets from outsourcing for his business. **(6marks)**
- e) Briefly state and defend the entrepreneurial myth that is depicted in the above case study. **(5 marks)**

## **QUESTION TWO**

- a) Explain five enterprise growth strategies employed by entrepreneurs in Kenya today **(10marks)**

b) "Any business plan must have certain features that make it a good plan." Explain **five** features of a good business plan according to Saleemi. **(10marks)**

### **QUESTION THREE**

a) "Entrepreneurs should not always rely on financial statements to make certain decisions." Highlight at least **ten** shortcomings of financial statements. **{10 marks}**

b) "Medium and small scale businesses {MSSEs} have had a tremendous contribution to Kenya's economy." Discuss. **{10 Marks}**

### **QUESTION FOUR**

a) "Market research is a very important tool for entrepreneurs." In what situations can market research be used to help entrepreneurs? **{10 marks}**

b) Explain the functions of management within an entrepreneurial enterprise? **{10 Marks}**

### **QUESTION FIVE**

a. What are the sources of new business ideas for potential entrepreneurs who wish to start a new venture **{10 marks}**

b. Explain at least **five** strategies that the Kenya government has put in place to promote youth entrepreneurship. **(10 Marks)**