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KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS 2020/2021 ACADEMIC YEAR THIRD YEAR FIRST SEMESTER

MAIN EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT

COURSE CODE: BCE 311

COURSE TITLE: FUNDAMENTALS OF ENTREPRENEURSHIP

DATE: 17/5/2021

TIME: 2.00PM-5.00PM

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 (30 MARKS)

a) During a planning committee session for the Harvard Business School Alumni Association of Orange County Entrepreneurship Conference 2009, an interesting point was raised. Conference organizers mentioned that a fast growing segment for the economy in Southern California is the growing number of established entrepreneurial firms (those worth over \$5 million in annual revenue). These firms, with values between \$5 million to \$20 million in annual revenue are looking at economic conditions more favourably than larger firms in their industry. In fact, as established firms fail, smaller firms see opportunities to capture some percent of customers now willing to switch to a new service provider.

Required:

- i. Identify the entrepreneurial characteristics of firms with values between \$5 million to \$20 million in annual revenue which made them look at economic conditions more favourably than larger firms in their industry. (5MKS)
 - ii. Explain how entrepreneurs in small firms exploit business opportunities? (5MKS)
 - iii. Explain small firms differentiation strategies they may adopt to create growth oriented enterprises (5MKS)
- b) Briefly elaborate on the following statements.
- i. Entrepreneurs are born (5 MKS)
 - ii. Entrepreneurs are made (5MKS)
 - iii. Window of opportunity is often fleeting(5MKS)

QUESTION TWO (20 MARKS)

Entrepreneurs face numerous challenges when accessing financial resources from commercial banks.

- a) Discuss at least five reasons why commercial banks prefer to lend on short-terms to entrepreneurs (10 Marks.)
- b) Explain any other five sources of funding for entrepreneurs in Kenya.(10 MKS)

QUESTION THREE (20 MARKS)

Entrepreneurs generate business ideas to help them innovate products and services.

- a) Discus at least five means entrepreneurs use to generating business ideas

(10 MKS)

- b) Outline the criteria entrepreneurs use to evaluate business ideas (10 MKS)

QUESTION FOUR(20 MARKS)

Entrepreneurship theories for a long time have helped us to identify the sources of entrepreneurs. Barney in (1991) propounded a resource based theory(RBT) to understand how organizations achieved sustainable competitive advantages(SCA).

- a) Discuss five features of the resource based theory (10 MKS)
- b) Identify at least five instances when resource based can be applied by entrepreneurs. (10 MKS)

QUESTION FIVE(20 MARKS)

Entrepreneurs operate within an entrepreneurial environment which influences their success or failure.

- a) Identify at least five the elements of entrepreneurial environment (10 MKS)
- b) Give five reasons why entrepreneurs need to be aware of their entrepreneurial environment. (10 MKS)