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# KIBABII UNIVERSITY



## UNIVERSITY EXAMINATIONS 2021/2022 ACADEMIC YEAR THIRD YEAR FIRST SEMESTER

**SPECIAL/SUPPLEMENTARY EXAMINATION**

**FOR THE DEGREE OF BACHELOR OF COMMERCE**

**COURSE CODE: BCE 311**

**COURSE TITLE: ENTREPRENEURSHIP**

**DATE: 15/11/2022**

**TIME: 2.00 – 4.00PM**

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### INSTRUCTION TO CANDIDATES

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

**KIBU** observes **ZERO** tolerance to examination cheating

### QUESTION ONE

According to Peter Drucker, the key point about innovation is that it is a response to both changes within markets and changes from outside markets. For Drucker, classical entrepreneurship psychology highlights the purposeful nature of innovation. Business firms and other organizations can plan to innovate by applying either lateral or linear thinking methods, or both. In other words, not all innovation is purely creative. If a firm wishes to innovate a current product, what will likely matter more to that firm is the success of the innovation rather than the level of creativity involved. Firms and individuals can innovate by seeking out and developing changes within markets or by focusing on and cultivating creativity. Firms and individuals should be on the lookout for opportunities to innovate.

Tony Ulwick an innovation expert focuses on understanding how the customer will judge or evaluate the quality and value of the product. The product development process should be based on the metrics that customers use to judge products, so that innovation can address those metrics and develop the best product for meeting customers' needs when it hits the market. This process is very similar to Drucker's contention that innovation comes as a response to changes within and outside of the market. Ulwick insists that focusing on the customer should begin early in the development process. **Source (Author 2022).**

Use the above information to answer the following questions;

- a) For any enterprise to climb the ladder of success, it should involve innovation. Explain five circumstances that confirm this statement true. (10 Marks)
- b) Explain five factors which have made entrepreneurship concept to evolve from time to time (10 Marks)
- c) Elaborate on how the following theories are influential in entrepreneurship
  - i. Economic theories (5 Marks)
  - ii. Sociological theories (5 Marks)

### QUESTION TWO

- a) Highlight and explain step one to five of the business idea generation process (10 Marks)
- b) Give and expound five reasons why bookkeeping is important for entrepreneurs (10 Marks)

### QUESTION THREE

- a) Explain the 4Ps of marketing for startups in entrepreneurship (8 Marks)
- b) Critically analyze the six factors considered in the selection of business finance (12 Marks)

### QUESTION FOUR

- a) In your opinion, do you think social responsibility is of need during the execution of the entrepreneurial duties? Yes or no, in either of your answers use relevant examples (10 Marks)
- b) Identify and comment on five ways the business plan is necessary for use by entrepreneurs (10 Marks)

**QUESTION FIVE**

a) Explain the following forms of business through the advantages and disadvantages

i) Sole proprietorship

ii) Cooperatives

(10 Marks)

b) Differentiate between the family business and a partnership

(10 Marks)