



**MURANG'A UNIVERSITY OF TECHNOLOGY**  
**SCHOOL OF BUSINESS AND ECONOMICS**

**DEPARTMENT OF HUMAN RESOURCE**

UNIVERSITY ORDINARY EXAMINATION

2017/2018 ACADEMIC YEAR

**SECOND YEAR SECOND SEMESTER EXAMINATION FOR DIPLOMA IN**

- CRIMINOLOGY
- BUSINESS MANAGEMENT
- INFORMATION TECHNOLOGY
- HOSPITALITY MANAGEMENT
- FOOD TECHNOLOGY /
- CERTIFICATE IN HOSPITALITY  
MANAGEMENT

UCU 053 – ENTREPRENEURSHIP SKILLS

DURATION: 2 HOURS

DATE: 7<sup>TH</sup> DECEMBER, 2017

TIME: 2.00 – 4.00 P.M.

**Instructions to Candidates:**

1. Answer **Question 1** and **Any Other Two** questions.
2. Mobile phones are not allowed in the examination room.
3. You are not allowed to write on this examination question paper.

## **SECTION ONE - COMPULSORY**

### **QUESTION ONE**

Identifying a business opportunity and the entrepreneurial response to it together form the basis on which successful businesses are formed, for the potential entrepreneur, the first task is to identify, explore and then select an attractive business opportunity. After selecting the attractive idea he accepts it as a basis for an investment decision and implements. As the business grows, it continuously participate in the natural economic development in the country.

- (a) List and explain five ways through which entrepreneurs contribute to the national economic development in the country (5 marks)
- (b) Discuss five characteristics of a good business opportunity (5 marks)
- (c) For a business to develop and succeed, the choice of an appropriate location is critical. Explain five factors to be considered when determining a good location (5 marks)
- (d) Discuss five problems that entrepreneurs encounter when running small enterprises in KEnya (5 marks)
- (e) Technology has enhanced business operations in the world. Discuss five areas where information, communication & Technology (ICT) has improved operations (5 marks)
- (f) Discuss five sources of business finance available for potential entrepreneurs (5 marks)

## **SECTION TWO – ANSWER ANY TWO QUESTIONS**

### **QUESTION TWO**

- (a) Discuss the following legal forms of business ownership citing two advantages and two disadvantages for each
  - i) Partnership
  - ii) Sole proprietorship (10 marks)
- (b) Outline five characteristics of a successful entrepreneur (10 marks)

### **QUESTION THREE**

- (a) Discuss the key stages of a business life cycle (BLC) and outline the challenges a potential entrepreneur is likely to encounter at each stage (10 marks)
- (b) Describe five tasks of an entrepreneur (10 marks)

### **QUESTION FOUR**

- (a) List and explain five factors that enhance emergence of growth of entrepreneurship (10 marks)
- (b) Explain the following type of entrepreneur and cite two examples in each case
  - i) Craft entrepreneur
  - ii) Opportunistic entrepreneur (10 marks)