



MURANG'A UNIVERSITY OF TECHNOLOGY

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF COMMERCE

UNIVERSITY ORDINARY EXAMINATION

2017/2018 ACADEMIC YEAR

SECOND YEAR FIRST SEMESTER EXAMINATION FOR BACHELOR OF COMMERCE

UCU 103: BUSINESS AND ENTREPRENEURSHIP SKILLS

DURATION: 2 HOURS

DATE: 13TH DECEMBER 2017

TIME: 9.00 - 11.00 AM

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

Martin and Jordan are friends and Second year students at Murang'a University of Technology. Their journey through first year of school led them to deciding that they should spare some pocket money and start up a small enterprise of their own. Subsequently, they held their first meeting in the school compound purposing to establish what venture to pursue and how much start capital they needed. At the end of the meeting the two friends were left grueling on two ventures; a small liquor pub or a chips and fish place near the school.

The location of the venture was decided to be a vacant room just opposite the school's small gate next to mama githeri whose son just graduated last year from Murang'a University of Technology but is still looking for active employment.

- a) Explain the type of mitigation of losses that the two have put in place by joining hands in starting the venture (2 Marks)
- b) Discuss the process of entrepreneurship that the two should have engaged in order to come up with the most viable venture (6 marks)
- c) What are the possible benefits that the neighbouring mama githeri will accrue if Martin and Jordan decide to start a liquor pub in the area? (6 marks)
- d) What ethical issues face the two entrepreneurs if they were to decide to start a chips and fish place over the liquor pub? (6 marks)
- e) Using the generic external environment analysis guide Martin and Jordan on the pros and cons of starting their venture. (10 marks)

SECTION TWO – ANSWER ANY TWO QUESTIONS

QUESTION TWO

- a) Kenya as a country has played a very big role in encouraging entrepreneurship amongst its citizens in the recent past. Using example illustrate the means through which the Kenyan government has endeavoured to develop its young entrepreneurs. (10 Marks)
- b) Prepare a write up advancing an argument for entrepreneurship in organizations today. Use examples where possible (10 marks)

QUESTION THREE

- a) Businesses go through stages in their development. Each stage requires special managerial care and/or resources. Using an organization of your choice, identify the stage(s) at which the following resources, strategies and managerial characteristics were most needed in the business's life cycle. Explain your answer. (12 Marks)
- i. Huge capital resources
 - ii. Entrepreneur's full time focus and energy
 - iii. Extensive professionalism
 - iv. Extensive research
 - v. Diversification
 - vi. Legal foundation/recognition.
- b) Keyshark hospital limited is a small healthcare centre owned by John Kiama, an entrepreneur in Murang'a County. The healthcare centre is located at the residential area of Mukuyu. It boasts healthy financial standing reporting profits in the excess of kshs 10,000,000 in the last financial year. In the Mukuyu area there is no other health care provider in a radius of 15 kms. The hospital wants to put up a branch in Nairobi just after the repeat elections. Using your marketing knowledge and entrepreneur expertise prepare a detailed write up to discuss the company's capabilities and shortcomings in relation to the current business environment in Kenya that would affect its plans of expansion in Nairobi. (8 Marks)

QUESTION FOUR

- a) The entrepreneur needs to keep exchanging information with the stakeholders of the enterprise to ensure that the needs of his/her enterprise are met on time
- i. Discuss the kind of information that different stakeholders would require from an enterprise (5 marks)
 - ii. Demonstrate how the enterprise would communicate the information in 4a (i) above to the stakeholders (5 Marks)
- b) Discuss any five theories of entrepreneurship (10 Marks)