



MURANG'A UNIVERSITY OF TECHNOLOGY

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF HUMAN RESOURCE

UNIVERSITY ORDINARY EXAMINATION

2017/2018 ACADEMIC YEAR

**SECOND YEAR FIRST SEMESTER EXAMINATION FOR BACHELOR OF
SCIENCE IN ENTREPRENEURSHIP.**

BHE 102: PRINCIPLES OF ENTERPRISE MANAGEMENT

DURATION: 2 HOURS

DATE: 17TH APRIL 2018

TIME: 2.00 – 4.00 PM

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 A – ANSWER ALL QUESTIONS IN THIS SECTION

QUESTION ONE

- (a) Part of keeping your home based business legal involves choosing the legal structure for it. Aside from being necessary for government reporting and tax purpose, this enables your business to operate more efficiently. Once the entrepreneur has determined the good or services the company will offer and whether there is a market for the product, a decision must be made on the type of business formation.

Required:

- (a) List down **Five** capabilities of entrepreneur according to schumpeter theory of 1934. (5 marks)
- (b) Outline Five features of a sole trader. (5 marks)
- (c) Identify specific assumptions of Maslow’s Need Theory of human needs. (6 marks)
- (d) List down any five advantages and any five disadvantages of sole proprietorship. (10marks)
- (e) Highlight four elements contained in the memorandum of Association of a limited company, (4 marks)

SECTION B – ANSWER ANY TWO QUESTIONS IN THIS SECTION

QUESTION TWO

- (a) Explain the difference between the following business organizations.
- (i) Partnership (10 marks)
- (ii) Limited Company (10 marks)

QUESTION THREE

- (a) Explain the features of co-operatives Societies. (10 marks)
- (b) Discuss at least five types of co-operatives. (10 marks)

QUESTION FOUR

- (a) Explain any five functions of State Corporations. (10 marks)
- (b) Discuss any Five characteristics of government parastatals. (10 marks)