CERTIFICATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

CERTIFICATE IN ENTREPRENUERSHIP

CES 104 : BUSINESS PLANNING

DATE: 28TH JULY 2026

DURATION: 2 HOURS

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **FOUR** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **10 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided.**

QUESTION ONE

Read the Case Study below carefully and answer the questions that follow:

NAIVAS SUPERMARKET

Naivas Supermarket is one of Kenya's largest and fastest-growing retail chains, with over 100 branches spread across the country. Founded in 1990 in Nakuru by the Mukuha family, Naivas has expanded its footprint to major towns and urban centres including Nairobi, Mombasa, Kisumu, and Eldoret. The supermarket offers a wide range of products, from fresh produce and groceries to electronics and household goods.

In 2020, Naivas attracted major investment from international private equity firms, including IFC (International Finance Corporation) and Proparco, enabling it to modernize operations, expand its supply chain, and upgrade branch infrastructure. The retailer has embraced technology, offering mobile payment options such as M-Pesa, a loyalty rewards programme, and a growing e-commerce platform. Naivas places strong emphasis on sourcing fresh produce from local Kenyan farmers, supporting smallholder agriculture while keeping operational costs competitive.

Naivas employs over 6,000 staff countrywide and remains committed to offering Kenyans quality products at affordable prices. Its growth strategy centers on opening customer-friendly outlets in both metropolitan areas and underserved towns, balancing quality with affordability.

Required:

a) With reference to the case study, discuss FIVE sources of funds that Naivas Supermarket could use to finance its expansion.
(10 Marks)

b) Identify and explain THREE factors that have contributed to the rapid growth of Naivas Supermarket in Kenya. **(6 Marks)**

c) Explain SIX components of a business plan that the management of Naivas Supermarket must incorporate. **(6 Marks)**

d) Identify and explain FOUR business development strategies that Naivas Supermarket should employ to improve its market performance. **(8 Marks)**

QUESTION TWO

a) A young Kenyan entrepreneur has launched a business to import, assemble, and retail smartphones in Nairobi. Identify and discuss THREE likely business risks that might arise and propose strategies to manage each risk. **(6 Marks)**

b) Business risks can be internal or external. Identify and explain TWO internal and TWO external risk factors that can affect a business. **(4 Marks)**

QUESTION THREE

Safaricom PLC is a leading telecommunications company in Kenya offering mobile voice, data, M-Pesa financial services, and fibre broadband. As an entrepreneurship student, illustrate how Safaricom can apply the 7 P's of the Marketing Mix to improve the delivery and marketing of its services. **(10 Marks)**

QUESTION FOUR

a) Using practical examples, illustrate the meaning of the following terms as used in business planning:

i) Product Life Cycle **(2 Marks)**

ii) Capacity planning **(2 Marks)**

iii) Marketing Mix **(2 Marks)**

b) You have been appointed as a manager tasked with setting up a new courier and logistics company in Nairobi. Highlight FOUR importance of having a business plan for this new venture.

(4 Marks)

QUESTION FIVE

a) A product passes through distinct stages as it enters, grows, matures, and eventually declines in the marketplace. Describe the FOUR stages of the Product Life Cycle and explain the key characteristics and appropriate business strategies for each stage.

(8 Marks)

b) Briefly explain the process of Commercialization as a stage in new product development.

(2 Marks)

QUESTION SIX

a) With reference to a specific business enterprise in Kenya, discuss any FIVE business development strategies the enterprise can adopt to grow its market share.

(5 Marks)

b) "Productivity isn't everything, but in the long run it's almost everything." Expound on FIVE advantages of higher productivity to a business and its broader economic environment.

(5 Marks)