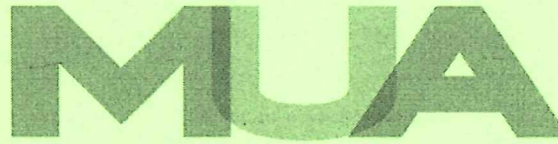


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**CERTIFICATE UNIVERSITY EXAMINATIONS**  
**SCHOOL OF MANAGEMENT AND LEADERSHIP**  
**CERTIFICATE IN ENTREPRENEURSHIP**

**CES 101: ENTREPRENEURSHIP AND THE BUSINESS START -UP  
PROCESS**

**DATE: 2<sup>ND</sup> APRIL 2025**

**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:**

Entrepreneurship is an economic activity as it involves the creation and operation of an enterprise with a view to creating value or wealth by ensuring optimum utilization of scarce resources. Since this value creation activity is performed continuously in the midst of uncertain business environment, entrepreneurship is regarded as a dynamic force. Entrepreneurship involves a continuous search for new ideas. It compels an individual to continuously evaluate the existing modes of business operations so that more efficient and effective systems can be evolved and adopted.

Profit potential is the likely level of return or compensation to the entrepreneur for taking on the risk of developing an idea into an actual business venture." Without profit potential, the efforts of entrepreneurs would remain only an abstract and a theoretical leisure activity. The essence of entrepreneurship is the 'willingness to assume risk' arising out of the creation and implementation of new ideas. New ideas are always tentative and their results may not be instantaneous and positive. An entrepreneur has to have patience to see his efforts bear fruit. If an entrepreneur does not have the willingness to assume risk, entrepreneurship would never succeed.

Entrepreneurship involves skillful management. The basic managerial skill is the most important characteristic feature of entrepreneurship. For effective management of an enterprise, the role of an entrepreneur is to initiate and supervise design of organization improvement projects in relation to upcoming opportunities is very much important. Entrepreneurship means accepting challenges amidst risk and uncertainty. While accepting entrepreneurship as a career the entrepreneur accepts the challenges of all odds and puts his efforts to convert the odds into viable business opportunities by pooling together the resources of building and running the enterprise.

The entrepreneur who creates and operates enterprises seeks to earn profits through satisfaction of needs of consumers; hence, entrepreneurship is a goal-oriented activity. Entrepreneurship emphasizes results, achievements and targets achieved. It

is work done not imaginary plans or paper decisions. Hence entrepreneurship is a goal-oriented activity. Next, we find that the process of creating value is a characteristic in describing entrepreneurship. Through entrepreneurship, new products, services, transactions, approaches, resources, technologies, and markets are created that contribute some value to a community or marketplace. We can also see value created when, through entrepreneurship; resources are transformed into outputs such as products or services. During this transformation process, value is created because the entrepreneur is fashioning something worthwhile and useful.

Entrepreneurship is a dynamic function. Entrepreneur thrives on changes in the environment, which bring useful opportunities for business. An entrepreneur deals proactively with changing markets and environment. He looks at the changes as the source of market advantages, not as a problem. Uncertainties are market opportunities for him. He capitalizes on fleeting market anomalies. Other characteristic found in entrepreneurship is that of uniqueness. Entrepreneurship involves new combinations and new approaches with which entrepreneurs are willing to experiment. Through Entrepreneurship unique products are created and unique approaches are tried. Entrepreneurship isn't merely imitating what others have done. It's doing something new, something untested and untried – something unique.

**Required:**

- a) Explain five reason for starting your own business or being an entrepreneur (10marks)
- b) Mention five sources of a business idea (5 marks)
- c) Explain four risks associated with entrepreneurship (8 marks)
- d) Describe three sources of funds for entrepreneurs (3 marks)
- e) Discuss two emerging issues in entrepreneurship (4 marks)

**QUESTION TWO**

- a) Define a family business (2marks)
- b) Explain four characteristics of Successful Family Businesses (8 marks)

**QUESTION THREE**

Explain any five characteristics of the legal forms that a micro, small or medium enterprise (MSME) can take (10 marks)

**QUESTION FOUR**

- a) Define the term business plan (2 marks)
- b) Examine any four factors favoring growth of entrepreneurship in Kenya (8 marks)

**QUESTION FIVE**

- a) Examine any four Entrepreneur's Management Functions (4 marks)
- b) Discuss any three business activities that may give rise to Unethical business behavior (6 marks)

**QUESTION SIX**

- a) Define intrapreneurship? (2 marks)
- b) Discuss any four characteristics of an Intrapreneur (8 marks)