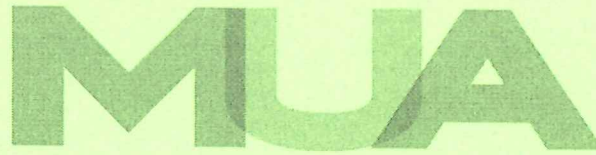


The
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UNDERGRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP

BMT 201: ENTREPRENEURSHIP AND SMALL BUSINESS MANAGEMENT

DATE: 8TH AUGUST 2024

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 **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 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

Entrepreneurship is the ability and readiness to develop, organize and run a business enterprise, along with any of its uncertainties in order to make a profit. The most prominent example of entrepreneurship is the starting of new businesses. In economics, entrepreneurship connected with land, labour, natural resources and capital can generate a profit. The entrepreneurial vision is defined by discovery and risk-taking and is an indispensable part of a nation's capacity to succeed in an ever-changing and more competitive global marketplace. The entrepreneur is defined as someone who has the ability and desire to establish, administer and succeed in a startup venture along with risk entitled to it, to make profits. The best example of entrepreneurship is the starting of a new business venture. The entrepreneurs are often known as a source of new ideas or innovators, and bring new ideas in the market by replacing old with a new invention.

Entrepreneurial businesses can be classified into small or home business to multinational companies. In economics, the profits that an entrepreneur makes is with a combination of land, natural resources, labour and capital. In a nutshell, anyone who has the will and determination to start a new company and deals with all the risks that go with it can become an entrepreneur.

Scalable Startup Entrepreneurship starts a business knowing that their vision can change the world. They attract investors who think and encourage people who think out of the box. The research focuses on a scalable business and experimental models, so, they hire the best and the brightest employees. They require more venture capital to fuel and back their project or business. Large Company Entrepreneurship have defined life-cycle. Most of these companies grow and sustain by offering new and innovative products that revolve around their main products. The change in technology, customer preferences, new competition, etc., build pressure for large companies to create an innovative product and sell it to the new set of customers in the new market. To cope with the rapid technological changes, the existing organizations either buy innovation enterprises or attempt to construct the product internally. Social Entrepreneurship on the other hand focuses on producing product

and services that resolve social needs and problems. Their only motto and goal is to work for society and not make any profits.

Required:

- a) From the case study, propose the need for entrepreneurship in a society
(10 Marks)
- b) Analyze five reasons why environmental scanning is important before an entrepreneur ventures into a new business
(10 Marks)
- c) Evaluate essential characteristics of a **scalable start up** entrepreneur
(5 Marks)

QUESTION TWO

- (a) Discuss five challenges that family-owned businesses are likely to face in their management
(10 Marks)
- (b) Propose any five qualities of a viable business opportunity
(5 Marks)

QUESTION THREE

- (a) Selecting a form of business ownership is a landmark step in the creation of a venture. Describe five factors that guides micro and small enterprises when selecting a form of business ownership
(10 Marks)
- (b) Studies have shown that more than 60% of newly started businesses do not survive to enjoy their third birthday. Discuss
(5 Marks)

QUESTION FOUR

- (a) For an entrepreneur to succeed in business, he must network. Evaluate the various entrepreneurship networks that an entrepreneur may adopt
(10 Marks)
- (b) Illustrate the techniques that can be used to generate business ideas.
(5 Marks)

QUESTION FIVE

- (a) Franchising is a strategy used to win customers due to brand image. Discuss the advantages of such an approach to an entrepreneur. (10 Marks)
- (b) Explain the benefits of acquiring an existing business (5 Marks)

QUESTION SIX

- (a) Discuss Porters 5 Forces and how they affect an industry`s environment. (10 Marks)
- (b) Explain the advantages of a SACCO loan as opposed to a bank loan in business financing (5 Marks)