

The
Management
University
of Africa



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UNDERGRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF MASTER OF MANAGEMENT AND LEADERSHIP AND
MASTER OF ARTS IN DEVELOPMENT STUDIES

MML 5203/ MDS 505: **ENTREPRENEURIAL MANAGEMENT AND
LEADERSHIP/ENTREPRENEURSHIP, INNOVATION
AND DEVELOPMENT**

DATE: **2ND AUGUST 2024**

DURATION: 3 HOURS

MAXIMUM MARKS: 60

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **FOUR (4)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **TWO** questions.
6. Question **ONE** carries **30 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 MODELS

According to Ulrich (1998:8) linear models of entrepreneurship decision-making is helpful in describing key stages in the entrepreneurial process and in documenting decisions after the fact. However, they are not particularly advantageous in understanding the process in real time. While linear models can describe what happened, they are less useful in explaining how it happened. Therefore, these linear models provide little guidance for managing the process. The entrepreneurship process deals with innovation and much of what is being accomplished is new and novel knowledge is required. In agreement with Venkataraman and Slover (1999:1) who propose that entrepreneurship is fundamentally concerned with understanding how, in the absence of current markets for future goods and services, these goods and services manage to come into existence.

From a theoretical point of view, Bygrave (in Kuratko et al. 1997:25) defined an entrepreneurial event as the creation of a new organisation to pursue an opportunity. Some of the characteristics that Bygrave used to describe the entrepreneurial event were: discontinuities, holistic, change, dynamic, unique, extremely sensitive to initial conditions, involving numerous antecedent variables, and initiated by an act of human volition (Kuratko et al. 1997:25 Wickham (2001:23) proposed that the following characteristics of the entrepreneurial process which is supported by Bygrave's (1993:257) description are acknowledged:

- Initiated by a human decision • Taking place on the level of an individual enterprise
- Discontinuous • A holistic process • A dynamic process • A unique process
- Including various antecedents and variables, and • Results which are very sensitive to initial nature of said variables.

It should also be mentioned that growth has been measured typically at the business level, yet intentions are an individual-level construct. Wiklund (2001:3) found that business managers' growth intentions are positively related to the actual growth of their businesses. It was furthermore hypothesised that the level of human capital will moderate the relationship between a manager's growth intentions and the level of growth achieved i.e., growth will increase with intention, but at a faster rate for those with (a) more education, and (b) more relevant experience. It was found however, that the relationship between intention and growth appeared to be more complex than stated. Wiklund (2001:4) was of the opinion that the dynamism of the environment in which the business operated also had an influence

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Entrepreneurship is not typically characterised as being logical, systematic, or planned and the entrepreneurship process is often perceived as disorderly and unpredictable. A number of attempts have been made to construct theoretical models of the entrepreneurial process (Gartner; Greenberger & Sexton; Learned; Herron & Sapienza; Herron & Robinson; Naffziger, Hornsby, and Kuratko & Bhave as quoted by Kuratko, Hornsby & Naffziger 1997:26). Brazeal and Herbert (1999:33) offer a model of the entrepreneurial process, integrating the fields of technology, **psychology** and **business**.

Required:

- a) Assess the importance of innovation in entrepreneurship as per the case study
(10 marks)
- b) Evaluate the steps involved in the entrepreneurial process
(10 marks)
- c) It should also be mentioned that growth has been measured typically at the business level, yet intentions are an individual-level construct. Propose any five indicators of growth of an entrepreneurial firm
(10 marks)

QUESTION TWO

- a) Suggest ways that the Chief Executive Officer (CEO) of an organisation can instil to his employees the willingness to accept innovative activities amid prevailing resistance to change common to most employees
(10 marks)
- b) Assess any five sources of innovation for small enterprises
(5 marks)

QUESTION THREE

- a) Discuss the three kinds of franchising type of business arrangements (10 marks)
- b) Propose any five benefits that has persuaded the government of Kenya to be interested in the MSME sector in Kenya
(5 marks)

QUESTION FOUR

- a) Argue for innovation as a catalyst in the Kenyan entrepreneurship ecosystem
(10 marks)
- b) One of the critical success factors, yet the most forgotten terminology in today's entrepreneurial firms as they strive for higher profits is business integrity. Discuss
(5 marks)