CERTIFICATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

CERTIFICATE IN ENTREPRENEURSHIP

CES 101: ENTREPRENEURSHIP AND THE BUSINESS START -UP PROCESS

DATE: 29TH 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:

THE STORY OF FRESHLIFE ORGANICS

After graduating from university, Mary Wanjiru noticed that many consumers in Nairobi were becoming increasingly concerned about healthy eating and environmentally friendly products. She decided to start a business producing organic fruit juices and natural snacks sourced directly from farmers in Kiambu, Murang’a, and Nyeri Counties.

Initially, Mary had very little capital and relied on personal savings and support from family members. She also attended entrepreneurship training programmes organized by local business development organizations where she acquired knowledge on business planning, financial management, and marketing.

Although many people discouraged her, arguing that small businesses rarely succeed, Mary remained determined. She registered her business as a sole proprietorship and started operations from a small rented facility. Within two years, demand for her products increased significantly. As the business expanded, she faced several challenges including access to finance, hiring qualified employees, competition from established brands, and balancing family expectations with business growth. To support expansion, Mary considered bringing in partners and converting the business into a partnership.

She also began developing a formal business plan to attract investors and secure bank financing. At the same time, she had to embrace digital marketing, online sales platforms, and environmentally sustainable packaging to remain competitive.

Mary hopes that FreshLife Organics will eventually become one of East Africa's leading healthy-food brands.

Required:

a) Identify and explain five entrepreneurial characteristics demonstrated by Mary in the case study**.** **(10 Marks)**

b) Analyze three sources of entrepreneurial resources that contributed to the establishment and growth of the business. **(6 Marks)**

c) Evaluate three challenges commonly faced by entrepreneurs that are evident in the case. **(6 Marks)**

d) Recommend two strategies Mary should adopt to ensure sustainable growth of her enterprise. (**4 Marks)**

e) Explain two benefits of preparing a business plan before seeking external financing**.** **(4 Marks)**

QUESTION TWO

a) Explain two entrepreneurship theories and show how each contributes to understanding entrepreneurial behaviour. **(4 Marks)**

b) Discuss three advantages of entrepreneurship to national economic development. **(6 Marks)**

QUESTION THREE

a) Analyze three factors that favour the growth of entrepreneurship in a country. **(6 Marks)**

b) Describe two stages of entrepreneurial development. **(4 Marks)**

QUESTION FOUR

a) Explain three challenges commonly experienced in family businesses.

(6 Marks)

b) Discuss two reasons why succession planning is important for family business continuity.

(4 Marks)

QUESTION FIVE

a) Evaluate three considerations when selecting a business idea**.** **(6 Marks)**

b) Differentiate between a sole proprietorship and a partnership. **(4 Marks)**

QUESTION SIX

a) Distinguish between a business plan and a strategic plan. **(4 Marks)**

b) Describe three key components of a business plan. **(3 Marks)**

c) Identify three emerging issues affecting small businesses today.

(3 Marks)