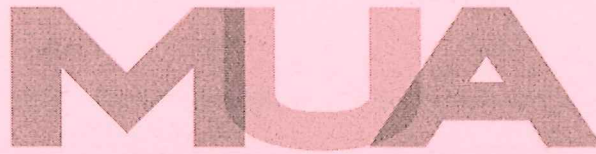


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**UNDERGRADUATE UNIVERSITY EXAMINATIONS**

**SCHOOL OF MANAGEMENT AND LEADERSHIP**

**DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP**

**BMT 201: ENTREPRENEURSHIP AND SMALL BUSINESS MANAGEMENT**

**DATE: 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 **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:

### E-COMMERCE DEVELOPMENT: EXPERIENCE FROM CHINA

Digital technology is altering the way we produce and consume and ultimately affects the way we live. It brings new opportunities or new and more productive jobs, but also the risk of exacerbating the digital divide and economic inequality. E-commerce stands out among digital applications relevant to development because of its ability to instantly link sellers with buyers, lower transaction costs, and create new niche markets tailored to consumer demand. While large producers and enterprises reap the greatest benefit from e-commerce in absolute terms, the market access afforded by e-commerce can be a boon for small producers and enterprises facilitating their integration into value chains. China has one of the fastest growing e-commerce markets in the world.

In 2018, total e-commerce trade volume in China reached 32 trillion yuan. According to McKinsey, China accounted for more than 40 percent of the value of e-commerce transactions worldwide. At these volumes, more than 5 percent of total employment in China is already in e-commerce and online purchases have become part of daily life for many Chinese households.

The success of e-commerce in China shows that the benefits of digital technology are not necessarily limited to high-income countries and urban areas. With the right conditions, it can flourish in developing countries and in rural areas. The rapid growth of e-commerce also has not been confined to the high-tech sector and is providing employment opportunities for semi-skilled workers, creating new types of employment, such as express delivery, e-shop design, and e-modeling, as well as supporting more flexible entrepreneurship.

Clusters of e-commerce villages (called Taobao Villages) have increased sharply in number and have gradually been spreading inland, though they are still concentrated in more populous coastal areas. Many poverty-stricken areas of China have been enriched by e-commerce development and people have gained wealth and improved their lives by participating in e-commerce. In several cases, migrants have returned home to work

in e-commerce—seizing job opportunities that would not have been available in rural areas without online platforms. This has enabled them to enjoy life among elder family members and children, restoring the social fabric of their hometowns. These developments offer hope that e-commerce can be a powerful instrument for rural vitalization and poverty reduction.

Analysis of the contribution of digital technologies to economic development and social welfare has been hindered by the lack of data. This report, the result of joint research by the World Bank and Alibaba Group, seeks to fill this research gap, drawing on unique primary data about Taobao Villages, poverty-stricken counties, and online selling and purchasing through the Alibaba platforms, supplemented by secondary data from government agencies, international organizations, think-tanks, and academia.

(World Bank and Alibaba Group, 2020)

**Required:**

- a) Evaluate five significances of e-commerce in the global small business landscape. **[10 Marks]**
- b) Basing your arguments in the Kenya as growing economy, how can E-Commerce impact to the general society. **[5 Marks]**
- c) Considering the environmental factors discussed in the case, propose five effective strategies for small businesses to enhance their online presence and navigate the challenges of the digital era. **[10 Marks]**

**QUESTION TWO**

- a) Explain five purposes of communication and networking in entrepreneurship. **[5 Marks]**
- b) Discuss four characteristics associated with family businesses. **[4 Marks]**
- c) Elaborate three types of manifest needs as identified by McClelland in the, "Manifest needs theory." **[6 Marks]**

### QUESTION THREE

- a) Differentiate between sole proprietorship, partnerships, and corporations as forms of business ownership. [6 Marks]
- b) Discuss four key components of SWOT analyses in the context of small business startups. [4 Marks]
- c) Assess the aims of e-commerce in the global small business context. [5 Marks]

### QUESTION FOUR

- a) Discuss five importance of securing adequate capital for small business operations. [5 Marks]
- b) Elaborate on the "Five Ps of Negotiating" when buying a business. [10 Marks]

### QUESTION FIVE

- a) Highlight five importance of planning for a small business. [5 Marks]
- b) Elaborate on the five importance of marketing management in small enterprises. [10 Marks]

### QUESTION SIX

- a) Discuss the importance of human resource management in small enterprises. [5 Marks]
- b) Describe the project selection and project appraisal processes involved in environmental analysis for new venture creation. [6 Marks]
- c) Define the term "corporate social responsibility" and discuss its relevance in small businesses. [4 Marks]