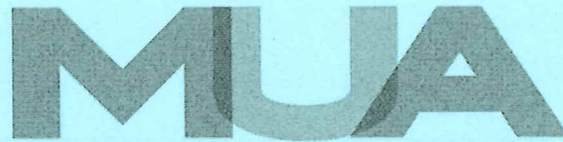


The
Management
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UNDERGRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF BACHELOR OF COMMERCE

MGT 311: BUSINESS PLANNING

DATE: 17TH DECEMBER 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:

The idea of owning a business can be appealing to many people for a variety of reasons. Being an entrepreneur does offer one more flexibility and allows for creativity in problem solving, it puts one in controlling their own financial situations and allows for exploring avenues that can be pursued as professional. However, being an entrepreneur is not easy and the learning curve is steep. One must be prepared to take on a lot of responsibilities, take on risks and learn new skills that will allow one to manage every face of small business. This may mean long hours of working, especially in the beginning that can have an impact on one's life. Among the huge demands of a small business owner is the need for business planning. This is partly why a number of small businesses fail in their early stages. Indeed, that is the reason that informed a certain scholar to conclude that by failing to plan, it is in fact planning to fail.

Required:

- a) Discuss the need for business planning in light of the challenges discussed in the above case study (6 marks)
- b) Highlight some of the responsibilities and risks an entrepreneur takes on while planning for success of a small business (6 marks)
- c) Identify and discuss the users of business plan and why it should be prepared meticulously (7 marks)
- d) Explain how a small business owner plan to fail by failing to plan (6 marks)

QUESTION TWO

- a) Analyze how a business plan is a good tool for operational tasks and as a control mechanism in a small business (10 marks)
- b) Highlight the main components of a business plan suitable for a small business (5 marks)

QUESTION THREE

- a) As a small business owner intending to venture into business, discuss how you would analyze a business and decided to start from scratch as opposed to buying an existing business. (10 marks)
- b) Briefly explain why some business plans fail to achieve their intended objectives (5 marks)

QUESTION FOUR

- a) Citing relevant examples, discuss how the financial component of the business plan can be a good tool for funds sourcing and utilization. (8 marks)
- b) You have been invited to attend a forum of potential lenders and investors to small enterprises. They have asked to orally present to them your business plan. Explain the main issues you will discuss (7 marks)

QUESTION FIVE

- a) Highlight the main stages in the strategic business planning process and its relevance to business success. (10 marks)
- b) Identify and explain the main challenges of business owners in their endeavors to planning and management of small businesses. (5 marks)

QUESTION SIX

- a) Explain the difference between internal and external growth strategies? Provide examples of each. (9 marks)
- b) Explain three reasons for locating a business in a certain place by giving relevant examples. (6 marks)

