



MACHAKOS UNIVERSITY

University Examinations for 2021/2022 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

THIRD YEAR SECOND SEMESTER EXAMINATION FOR

BACHELOR OF COMMERCE (MARKETING OPTION)

BBA310: ENTREPRENEURSHIP & SMALL BUSINESS MANAGEMENT

DATE:

TIME:2 HOURS

INSTRUCTIONS

- i. The paper has five questions*
- ii. Question I is compulsory 30 marks.*
- iii. Answer any TWO questions each 20 marks*

QUESTION ONE (COMPULSORY) (30 MARKS)

Read the case study below and answer the questions that follow it.

Wananchi Bicycles Limited

Wananchi Bicycles limited specializes in designing and building customized bicycles to meet the specific needs of mountain bike racing professionals. The company has earned a reputation of designing the best mountain bikes in the world because of its founder and master designer, Hassan Wa Baiskeli, a great entrepreneur.

Since the company started in the year 2002, 70% of the entire greatest mountain bike races in the world have been won by cyclists using bicycles designed by Wananchi Bicycles Limited. Wananchi Bicycles Limited intensified its marketing activities from the year 2007 prompting marketing budget to grow four folds. To generate business ideas the company has cultivated a culture of involving all the employees through focus groups discussions. As more and more people gain interests in competitive cycling, the demand for custom built bicycles is expected to increase significantly going by the performance of Wananchi Bicycles Limited company. During the year 2012 London Olympics games, mountain bike racing was one of the competitive sports therefore, increasing the sales exponentially.

To meet the expected demand for custom built racing bicycles that can handle mountain riding as well as road racing, Wananchi Bicycles Limited is seeking for additional financing to enable to add new work stations and hire additional designers. If this investment is made, marketing projections and written commitments from several mountain bike racing teams will result in increase in sales by 150% by the following year. This increase translates into sales revenue of shs. 200,000,000. To achieve the target sales, the company plans to undertake extensive marketing activities.

Required:

- a) Using the above information identify FOUR factors that has propelled the company to success. (4 marks)
- b) Explain clearly to the mentioned company any FIVE challenges the business venture may face in future. (10 marks)
- c) As an entrepreneurship student, advice the company on how they can grow the business and ensure its successful survival to the entire business life cycle. (10 marks)
- d) Explain to Wananchi Bicycles Limited Company any THREE benefits of writing business plan. (6 marks)

QUESTION TWO (20 MARKS)

- a) Explain any FIVE essential features of entrepreneurship. (10 marks)
- b) Analyze any FIVE ways in which an entrepreneur could enhance her competitive advantage. (10 marks)

QUESTION THREE

- a) Explain any FIVE functions of networking to an enterprise. (10 marks)
- b) With reference to the phases of the business growth life cycle, suggest one reason under each phase that could lead an entrepreneur to borrow money from a financial institution. (10 marks)

QUESTION FOUR (20 MARKS)

- a) Define the term 'marketing mix'. (2 marks)
- b) In relation to entrepreneurship, analyze the 4p's of market mix. (10 marks)
- c) Organization and Management plan is an important component of a business plan. Explain the sections of this component. (8 marks)

QUESTION FIVE (20 MARKS)

- a) Explain a policy framework (4 marks)
- b) Describe the main components of a policy paper. (6 marks)
- c) Outline any FIVE characteristics of a good policy. (10 marks)