



MACHAKOS UNIVERSITY

University Examinations for 2020/2021 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

SECOND YEAR FIRST SEMESTER EXAMINATION FOR

BACHELOR OF SCIENCE (APPLIED PHYSICS & TECHNOLOGY)

BACHELOR OF SCIENCE (ANALYTICAL CHEMISTRY)

UCU 104: INTRODUCTION TO ENTREPRENEURSHIP

DATE: 13/8/2021

TIME: 11.00-1.00 PM

INSTRUCTIONS:

Answer question one and any other two questions.

QUESTION ONE (30 MARKS)

CASE STUDY: David Ochieng Maende

David Ochieng Maende, 50, decided to give up his steady paycheck and top management position to try his hand in business. He had worked at Chemelil Sugar Company for 26 years. Maende graduated from University of Nairobi with a Bachelor of Science in Analytical Chemistry. His decision was motivated by the fact that he was increasingly feeling underutilized in terms of the application of the daily routine of one line of chemistry as opposed to the broad chemical base he had acquired in industrial and analytical chemical applications from the university and through experience.

For several months, he spent sleepless nights conceptualizing the business model for his nascent organization that he started off with approximately Ksh 700,000 that was part of his severance package. His concept was to purchase raw chemical materials for basic household detergents and sell mostly to vulnerable groups as a means of enhancing their livelihoods. He realized a surging demand for more products from just manufacturing of a single multipurpose liquid detergent. Therefore, he opened more branches across the country within a short time.

Required:

- a) Using the above information identify FIVE impetus that propelled David Maende to self-employment. (10 marks)
- b) Explain clearly to the mentioned entrepreneur any FIVE challenges the business venture may face in future. (10 marks)
- c) As an entrepreneurship student, advice David on how he can grow his business and ensure its successful survival to the entire business life cycle. (10 marks)

QUESTION TWO (20 MARKS)

- a) Describe any TWO techniques for improving creativity in a growing enterprise. (4 marks)
- b) Distinguish between an entrepreneur and an intrapreneur. (4 marks)
- c) Business description should be included in a formal business plan. Explain the sections of this component. (12 marks)

QUESTION THREE (20 MARKS)

- a) Briefly explain FOUR reasons why an entrepreneur may venture into the global market (8 marks)
- b) Analyze any SIX factors affecting the growth of entrepreneurship in Kenya. (12 marks)

QUESTION FOUR (20 MARKS)

- a) Systematically describe the process of motivation in entrepreneurship. (10 marks)
- b) Examine how creativity and innovation enhance business growth and development. (10 marks)

QUESTION FIVE (20 MARKS)

- a) Explain the sources of finance through the life cycle of an entrepreneurial firm. (10 marks)
- b) Explain FIVE reasons why entrepreneurs are more interested in financial plan component of Business plan. (10 marks)