



MACHAKOS UNIVERSITY

University Examinations for 2020/2021 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

FIRST YEAR SECOND SEMESTER EXAMINATION FOR

BACHELOR OF EDUCATION (EARLY CHILDHOOD EDUCATION)

BACHELOR OF SCIENCE (FASHION DESIGN & MARKETING)

BACHELOR OF EDUCATION (SPECIAL NEEDS EDUCATION)

BACHELOR OF ARTS (COUNSELLING PSYCHOLOGY)

BACHELOR OF SCIENCE (PUBLIC HEALTH)

BACHELOR OF EDUCATION (SCIENCE),

BACHELOR OF SCIENCE (ACTUARIAL)

BACHELOR OF EDUCATION (ARTS)

UCU 104: INTRODUCTION TO ENTREPRENEURSHIP

DATE: 18/6/2021

TIME: 11.00-1.00 PM

INSTRUCTIONS:

Answer question one and any other two questions.

- i. The paper has five questions*
- ii. Question 1 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.

CASE STUDY: STEVE JOBS CREATING LIFESTYLE

Apple Computers has always been underdog in an industry dominated by giants but its founder and Chief Executive Steve Jobs has managed to make what is essentially a rather boring technical product a lifestyle of choice, from teen to technical geeks to business executives.

This has been achieved by not just including leading edge technology in its Macs, PowerBooks and iPods, but by creating desirable products through design, innovative retail strategies and grassroots market appeal. Steve Jobs has been particularly effective in leveraging limited marketing budgets to gain maximum publicity, often through partnerships such as those with Volkswagen and Pepsi.

In 2004, Apple took steps with the introduction of the \$99 iPod shuffle and \$499 Mac Mini to extend its appeal to an audience that has not so far been able to afford its products. Apple's weakness, as with many entrepreneur organizations, is closely linked to the personality of its entrepreneurial CEO. Job is passionate, often not politically correct and has always selected the best team of executives to make the best of Apples ideas.

Required:

- a) In reference to the case study describe FIVE entrepreneurial characteristics that can be associated to Steve Jobs (10 marks)
- b) Explain how innovation helped Apple computers' performance in the market. (10 marks)
- c) Steve Jobs has contracted you to write a business plan for Apple Computers Company, highlight any FOUR qualities of such a business plan. (4 marks)
- d) Explain THREE reasons that are likely to cause failure in innovations. (6 marks)

QUESTION TWO (20 MARKS)

- a) Explain FOUR essential features of entrepreneurship (8 marks)
- b) Citing examples, explain any SIX sources of business ideas available to an entrepreneur. (12 marks)

QUESTION THREE (20 MARKS)

- a) Explain any FIVE Reasons why family businesses in Kenya fail after the founder dies (10 marks)
- b) Discuss Maslow's need hierarchy theory as applied in entrepreneurship. (10 marks)

QUESTION FOUR (20 MARKS)

- a) Distinguish between small business and entrepreneurial venture. (4 marks)
- b) Explain THREE reasons why entrepreneurs may decide to use business angels rather than venture capitalists in their business. (6 marks)
- c) Systematically describe innovation process in entrepreneurship. (10 marks)

QUESTION FIVE (20 MARKS)

- a) When starting a business, an entrepreneur should assess the industry within which the business will operate. Explain briefly, any FIVE factors that an entrepreneur should consider in evaluating the industry in which to invest (10 marks)
- b) Technology needs of the MSE sector in Kenya have received a fair amount of policy and program support since the early 1980's. In view of this, explain any THREE constraints facing MSEs development in Kenya and FOUR areas for policy intervention. (10 marks)