



MACHAKOS UNIVERSITY COLLEGE

(A Constituent College of Kenyatta University)

University Examinations 2015/2016

SCHOOL OF AGRICULTURE AND NATURAL RESOURCES MANAGEMENT

DEPARTMENT OF AGRICULTURAL EDUCATION AND EXTENSION

FIRST SEMESTER EXAMINATION FOR DIPLOMA IN AGRICULTURAL
EDUCATION AND EXTENSION

KTB 0104: PRINCIPLES OF ENTREPRENEURSHIP

Date: 19/04/2016

Time: 11.00-1.00 PM

INSTRUCTIONS

This paper consists of FIVE questions

Answer question one and other two questions in this paper

Question 1:

- a) Define the following terms as used in entrepreneurship:
- i. Entrepreneur (1 mark)
 - ii. Inventor (1 mark)
 - iii. Intrapreneur (1 mark)
 - iv. Cognitive entrepreneur (1 mark)
 - v. Initiatives (1 mark)
- b) Explain the FIVE (5) competencies below which are needed by successful entrepreneurs.
- i. Personal initiative (1 mark)
 - ii. Seize opportunities (1 mark)
 - iii. Commitment towards work agreement (1 mark)
 - iv. Systematic planning (1 mark)
 - v. Persistence (1 mark)
- c) Differentiate between a manager and an entrepreneur. (5 marks)
- d) Discuss how entrepreneur can contribute to the economic development. (5 marks)

- e) Which factors have an influence on the growth and development of entrepreneurship?
Give an example of one factor in each case. (5 marks)
- f) Discuss the characteristics of a small scale business (5 marks)

Question 2

- a) Differentiate between the following terms used in the argument for small scale business:
- i. Equality and decentralization (2 marks)
 - ii. Employment argument and Latent resource argument (2 marks)
- b) Discuss the role of small scale business in the process of industrialization. (5 marks)
- c) Explain the steps followed in setting up of a small scale business (8 marks)
- d) List THREE forms of support that government can provide to small scale business. (3 marks)

Question 3

- a) Define the following terms:
- i. Low cost strategy (1 mark)
 - ii. Equity capital (1 mark)
 - iii. Debt capital (1 marks)
- b) Explain five(5) sources of financing that are available for an entrepreneur.(5 marks)
- c) Discuss three (3) risks of small scale business financing. (6 marks)
- d) List the elements that an entrepreneur must consider when financing a business idea. (6 marks)

Question 4

- a) Explain two (2) sources of business ideas that are used in small scale business. (4 marks)
- b) Explain the tasks involved in developing a business idea. (7 marks)
- c) List the steps that are involved in opportunity analysis. (5 marks)
- d) Discuss the importance of using Information and Communication Technology (ICT) in entrepreneurship. (4 marks)

Question 5:

- a) Discuss FIVE (5) types of assistance and support that are available for entrepreneurs in Kenya. (10 marks)
- b) Explain the importance of a business plan. (5 marks)
- c) Explain TWO (2) basic principles of a good business plan. (5 marks)