



MACHAKOS UNIVERSITY

University Examinations for 2018/2019 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

**THIRD YEAR SECOND SEMESTER EXAMINATION FOR
BACHELOR OF COMMERCE**

BBA 310: ENTREPRENEURSHIP AND SMALL BUSINESS MANAGEMENT

DATE: 24/4/2019

TIME: 2:00 – 4:00 PM

INSTRUCTIONS: Attempt Question ONE and any other TWO question

QUESTION ONE (COMPULSORY) (30 MARKS)

Jerad, a university graduate started a small business in the year 2000. Starting the business was not easy, he went through a number of challenges. For the first two years, the business was not doing well. Jerad was advised to use various marketing strategies that enabled the business to expand. The strategies worked very well and by the next two years, the business had expanded. This was not the end of Jerads problems, staffing became a key issue in managing operations, consumer credit control management as well as business inventory management were a major challenge.

Jerad was advised to bring in a consultant to assist the business in managing the challenges.

Assume you are the consultant;

- a) Advise Jerad on the recruitment procedure to use to manage staff and ensure the effective placement. (8 marks)
- b) Identify 5 other business growth challenges that the business could be facing and advise on how to solve the challenges. (10 marks)
- c) Outline 5 ways that the business could use to control consumer credit. (5 marks)
- d) Explain the importance of inventory control. (7 marks)

QUESTION TWO (20 MARKS)

- a) Starting a business is a process. Outline the steps to follow. (10 marks)
- b) Advise a young entrepreneur on the importance of risk taking in a business. (10 marks)

QUESTION THREE (20 MARKS)

Discuss the content of a business plan in line with the following;

- a) Business description. (5 marks)
- b) Marketing plan. (5 marks)
- c) Organization plan. (5 marks)
- d) Operational plan. (5 marks)

QUESTION FOUR (20 MARKS)

- a) Economic development is associated with the functions of an entrepreneur. Discuss ten contributions of entrepreneurs to economic development. (10 marks)
- b) Analyze the importance of business networking. (10 marks)

QUESTION FIVE (20 MARKS)

- a) Discuss five methods an entrepreneur can use to differentiate their products to cope with competition. (10 marks)
- b) Success of a business is determined by among other factors decision making. Outline the steps to follow in making decisions. (10 marks)