# MACHAKOS UNIVERSITY

**University Examinations for 2018/2019 Academic Year**

**SCHOOL OF BUSINESS AND ECONOMICS**

**DEPARTMENT OF BUSINESS ADMINISTRATION**

**SECOND YEAR SECOND SEMESTER EXAMINATION FOR**

**BACHELOR OF SCIENCE IN INFORMATION TECHNOLOGY**

**SIT 205: ENTREPRENEURSHIP AND BUSINESS PLANNING**

**DATE: 10/5/2019** **TIME: 8.30-10.30 AM**

**INSTRUCTIONS: Attempt Question ONE and any other TWO question**

**QUESTION ONE (COMPULSORY) (30 MARKS)**

The year 2015 was marked with a lot of success for ZWN ICT consultancy company. The company had been started to assist entrepreneurs in Kisumu town to use ICT systems in running their businesses. The directors of the company felt that due to the market success, there was need to introduce new ICT systems in the market. The business opportunity appeared to be attractive but expensive. The directors were not sure whether to take the risk or not. Two directors were given an assignment to conduct market survey to establish the worthness of risk taking in the business opportunity. It took the two directors one year to complete the assignment and their report was positive. Meanwhile another competitor has taken up the risk and was doing well. The two directors were blamed of spent money for company and taking too long while the other two directors were blamed for not taking the risk when the opportunity was identified by the two.

**Required:**

a) Outline five disadvantages of running a private company. (5 marks)

b) Analyze five types of risks. (8 marks)

c) Explain the factors to consider when evaluating a business opportunity. (10 marks)

d) Give reasons why the company should have taken the business opportunity even when their competitors had. (7 marks)

**QUESTION TWO (20 MARKS)**

a) Starting a business is a process. Discuss the steps to follow when starting a business. (10 marks)

b) Explain eight sources of business ideas that an entrepreneur can utilize. (10 marks)

**QUESTION THREE (20 MARKS)**

Good business planning is associated with business success.

a) Outline the importance of business plan. (5 marks)

b) Prepare the following contents of the business plan
   i) Business description. (10 marks)
   ii) Organizational plan (5 marks)

**QUESTION FOUR (20 MARKS)**

a) Advice a young entrepreneur on the process of decision making. (10 marks)

b) Explain five sources of business finance. (10 marks)

**QUESTION FIVE (20 MARKS)**

a) There are different forms of businesses. Discus four forms of business registration. (12 marks)

b) Entrepreneurs vary. Discuss eight types of entrepreneurs giving examples. (8 marks)