MACHAKOS UNIVERSITY

University Examinations for 2018/2019 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BANKING, ACCOUNTING & FINANCE

FOURTH YEAR SPECIAL/SUPPLEMENTARY EXAMINATION FOR

BACHELOR OF COMMERCE

BAC 412: ENTREPRENEURIAL FINANCE

DATE: 25/7/2019 **TIME: 11.00-1.00 PM**

INSTRUCTIONS: Attempt Question One and any other Two Questions

QUESTION ONE (30 MARKS)

a) Evaluate five sources of entrepreneurship finance. (10 marks)

b) Enumerate the benefits of Initial Public Offer (IPO) as a source of capital to companies. (10 marks)

c) Using a hypothetical case draft a business plan. Ensure that the plan covers all the sections. (10 marks)

QUESTION TWO (20 MARKS)

a) Compare and contrast between entrepreneurial finance and corporate finance. (10 marks)

b) Describe the four major types of entrepreneurship. (10 marks)

QUESTION THREE (20 MARKS)

a) Describe the stages of new venture development; mention the challenges in each stage. (10 marks)

b) Describe the obstacles of enterprise development in Kenya. (10 marks)

QUESTION FOUR (20 MARKS)

a) Analyze the impact of government policies on entrepreneurial finance in Kenya. (10 marks)

b) Describe five sources for identification of venture opportunities, justify the importance of each source on the success of the new enterprise. (10 marks)

QUESTION FIVE (20 MARKS)

a) Discuss the roles performed by a venture capitalist. (10 marks)

b) List and describe the key financial difference between entrepreneurial growth companies and large traded firms. (10 marks)