



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 SCIENCE IN HOSPITALITY AND TOURISM MANAGEMENT
BHT-411: ENTREPRENEURSHIP IN HOSPITALITY AND TOURISM**

DATE: 9/5/2019

TIME: 8.30-10.30 AM

INSTRUCTIONS: Attempt Question ONE and any other TWO question

QUESTION ONE (COMPULSORY) (30 MARKS)

XMY company has been in hospitality business employing more than 50 employees. Production level has been good and the company has for more than 3 years continued to earn good profits. The manager decided to request the management to open new branches in other towns. He conducted market survey for two towns and presented a proposal to the management. Members of the management board analyzed the proposals and were happy with them. But some members of board of management felt it were even better for the company to diversify their products other than opening new branches. The manager felt the company was losing a lot of business opportunities in the specific towns proposed.

Required;

- a) Analyze the factors the manager could have evaluated with the proposed business opportunity. (8 marks)
- b) Discuss the six advantages of business diversification. (8 marks)
- c) Explain the factors to consider when identifying a business location. (8 marks)
- d) Outline the importance of business proposal writing. (6 marks)

QUESTION TWO (20 MARKS)

- a) Analyze the differences of small and medium enterprises. (12 marks)
- b) Discuss on the importance of taking risks in businesses. (8 marks)

QUESTION THREE (20 MARKS)

The government of Kenya encourages student graduates to join self employment. Critic formal employment against self employment

QUESTION FOUR (20 MARKS)

Operating a business without a business plan is like driving a car at night without lights. Prepare the following parts of a business plan.

- a) Marketing plan. (12 marks)
- b) Operational plan. (8 marks)

QUESTION FIVE (20 MARKS)

- a) Entrepreneurs contribute a lot to economic growth. Analyze the role of entrepreneurs in economic development. (10 marks)
- b) Discuss the major entrepreneurial competencies. (10 marks)