



MACHAKOS UNIVERSITY COLLEGE

(A Constituent College of Kenyatta University)

University Examinations for 2015/2016

SCHOOL OF ENGINEERING AND TECHNOLOGY

DEPARTMENT OF MECHANICAL AND MANUFACTURING ENGINEERING

FIRST SEMESTER EXAMINATION FOR DIPLOMA IN MECHANICAL
ENGINEERING

SCU 308: ENTREPRENEURSHIP

DATE: 1/8/2016

TIME: 2:00 – 4:00 PM

INSTRUCTIONS:

Answer all questions in Section A and any two in Section B.

SECTION A.(Answer all questions)

1. a) Define the following terms: (5 marks)
 - i). Entrepreneur.
 - ii). Entrepreneurship
 - iii). Marketing.
 - iv). Business ideas.
 - v). Business opportunity.
- b). List and explain 5 benefits of self-employment. (5 marks)
- c). Explain why small businesses are prone to failure. (5 marks)
- d). (i). Explain the following aspects of marketing; (3 marks)
 - (i). Market niche.
 - (ii). Market segmentation.
 - (iii). Competition.

- (ii). Describe how possible location of a business may affect it with an example. (2 marks)
- e). List down the sources of finance for businesses. (5 marks)
- f). Read the following passage and identify 5 entrepreneurial traits/ characteristics portrayed by John.

(John has owned a small restaurant for three years.)

I started by working at a restaurant in another town. I waited on tables, cooked, did the purchasing and book keeping and picked up a basic understanding of the business. Later, I spend some time at two other restaurants in this town learning about managing a restaurant. Most people think if they are good cooks they can open a restaurant. It is not simple! You've got to know every area of the food business such as purchasing, advertising, cooking and customer relation.

Young people come to me and say, "I want to learn about operating a restaurant from you so I can open my own." I tell them, "That's okay with me, I'll have you cook, bartend, wait on tables and clean up tables." They say, "You don't understand. I want to learn how to manage". Well, I believe that you've got to "feel the business from the ground up before you can run it".

I enjoy the freedom of being in business. I like being a boss. I have twelve employees, and it gives me a good feeling when they come to me for advice. It would be difficult for me to work for someone else. But I might become an employee in the future. I'm only twenty eight years old, and my career could take many turns. I hope that if I did have to work for someone else, I could pretty much do what I wanted. I like making decisions and being a leader.

Give the entrepreneurial traits identified in the passage. (5 marks)

SECTION B.(CHOOSE ANY TWO QUESTIONS)

2. State and explain the major forms of business, stating each of their legal aspects, advantages and disadvantages. (20 marks)
3. a). i) List any 5 sources of business ideas and give a brief description. (5 marks)
- ii) For an entrepreneur to set up a business, they have to identify an opportunity in the market. Identify any 5 business opportunity sources and explain. (10 marks)

- b) Njoroge is an entrepreneur at Pesa market, what are some of the characteristics he should have as an entrepreneur. (5 marks)
4. a) Highlight 10 leadership traits expected to be portrayed by entrepreneurs. (10 marks)
- b) Explain 5 ways in which employers can motivate employees. (10 marks)
- 5 a) State and explain the ten stages of registering a business. (10 marks)
- b) In order to begin a business one has to have some licenses and permits in order to work uninterrupted explain each of the licenses/ permits. (10 marks)