

**CHUKA**



**UNIVERSITY**

**UNIVERSITY EXAMINATIONS**

**EXAMINATION FOR THE AWARD OF MASTER OF BUSINESS ADMINISTRATION**

**MEEM 801: ENTREPRENEURSHIP DEVELOPMENT**

**STREAMS: MBAD**

**TIME: 3 HOURS**

**DAY/DATE: TUESDAY 06/03/2021**

**8.30 A.M. – 11.30A.M.**

**INSTRUCTIONS: Question ONE is compulsory and any other THREE**

**QUESTION ONE**

**Trays for Tourists**

A few years ago, John noticed that many tourists were passing through his village, but very few people were selling arts and crafts using traditional local designs. So he started making wooden trays and decorating them with local designs. They sold so well that he decided to rent a shop and to employ two people to make and paint trays and other wooden household items. He knew this was a risk, but his products had sold well, so he was confident that they would continue to sell. He supervised his two employees closely to make sure that every item met his high standards of quality. He used their feedback to improve his range of products.

Soon after he expanded his business, John had his first problems. His shop was right next to the restaurant where all the tourism buses stopped, afterwards a better restaurant opened in the next street. The tour guides changed their route to the new restaurant. Some shop around him started to go out of business, including that of John, suddenly John developed a new strategy of rejuvenating his products.

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business, including that of John, suddenly John developed a new strategy of rejuvenating his products. He put up an advertising board next to the new restaurant advising customers of the new changes on the products, soon customers started flocking back and the business went back to full operation.

### Required:

- (a) With reasons identify five personal characteristics that made John a good entrepreneur in reference to the above case study [10 marks]
- (b) Successful entrepreneurs have certain entrepreneurial and managerial success factors. Advise John on the five managerial success factors that he must consider in running a successful business. [10 marks]
- (c) What deadly entrepreneurial omissions did John commit in reference to the case study? Defend your answers [5 marks]
- (d) In the light of the above case advise existing entrepreneurs [5 marks]

### QUESTION TWO

- (a) After weeks of scanning the environment, Peter has come up with a noble business idea of ferrying tourist in various attraction sites in Kenya. He is eager to implement it immediately, however a friend of him cautioned him to analyze the idea before starting a business. Advise Peter why it is important [10 marks]
- (b) Entrepreneurs are characterized with distinct and unique that they exhibit. In view of this statement discuss the J.A SCHUMPETER philosophical definition of entrepreneurship in relation to Economic Development [10 marks]

### QUESTION THREE

- (a) Identify and explain the various ways through which government can intervene and assist upcoming entrepreneurs to grow and sustain their enterprises [10 marks]
- (b) Explain the rationale behind SWOT analysis as a way of scanning an enterprise environment [10 marks]

### QUESTION FOUR

- (a) James with a little entrepreneurial knowledge has been contracted by the county government of Tharaka Nithi County to draft business strategic plan for starting avocado juice processing plant in

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Ndagani market. He approaches you as an expert to take him through the process of preparing a plan  
[10 marks]

(b) It is a myth that successful entrepreneurs should always engage in creative and innovative ways of doing business if they expect to continue succeeding. Defend the above myth outlining some of the keys areas of innovation and creativity [10 marks]

**QUESTION FIVE**

Turning an idea into a reality calls upon Small entrepreneurs to possess general management skills to organize the physical and financial resources needed to a successful business. Outline the necessary general entrepreneurial management skills. [20 marks]

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