

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

**FOURTH YEAR EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF
ARTS IN COMMUNITY DEVELOPMENT**

CDEV 451: MICRO AND SMALL BUSINESS MANAGEMENT

STREAMS: BA Y4S1

TIME: 2 HOURS

DAY/DATE: TUESDAY 04/12/2018

11.30 A.M. – 1.30 P.M.

INSTRUCTIONS:

- **Answer question ONE and any other TWO questions.**

- Q1. (a) Discuss the contribution of micro and small business to the community and the Kenya economy. (10 marks)
- (b) After searching for business ideas, David has come up with what he believes is a good business idea. He is eager to implement his idea but a friend of his advised him to first evaluate the idea to ensure it is attractive. Advise David on five factors that he can use to evaluate his business idea. (10 marks)
- (c) Highlight the major components of a business plan and explain why one needs to prepare a business plan before the start of a new business. (10 marks)
- Q2. (a) Ruth has been working for the country government but wants to be self-employed by starting her own business. Advise Ruth on the requisites of a successful business. (12 marks)
- (b) A business is accountable to its stakeholders. Identify key stakeholders of a business and explain their expectations. (8 marks)

Q3. (a) A women group in Chuka Town wants to start a bakery that will be making and distributing their products in the county and the neighbouring Town. Advise the women group on the importance of marketing functions in the performance of their business. (12 marks)

(b) Explain how the micro and small business in your community can be supported to improve in their performance. (8 marks)

Q4. Poor management and lack of entrepreneurial skills are some of the causes for small business stagnation and failure. Discuss the specific role of managers and entrepreneurs in the success of the business. (20 marks)
