

**CHUKA**



**UNIVERSITY**

**UNIVERSITY EXAMINATIONS  
CHUKA/EMBU**

**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF  
ENTREPRENEURSHIP AND SMALL ENTERPRISE MANAGEMENT, BACHELOR  
OF COMMERCE, BACHELOR OF COOPERATIVE MANAGEMENT, FOST**

**BEEM 111/FOST 466/BCOP 402: PRINCIPLES OF ENTREPRENEURSHIP**

**STREAMS:BEEM Y4S2**

**TIME: 2 HOURS**

**DAY/DATE: FRIDAY 24/09/2021**

**2.30 P.M – 4.30 P.M**

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**INSTRUCTIONS**

- **Answer question one and any other two questions**
- **Do not write on the question paper**

**QUESTION ONE**

(a) Read and case study below and answer the questions that follow

Sherry Ann likes decorating so much that she has been decorating her church members and friends houses for so long that she has managed to pay her college tuition from the money they pay her. To meet the increasing demand for her services, she even imports fabrics and other materials from China. One of the friends has advised she can gain from E- commerce. Recently greeny fabrics limited has approached her with a business proposition to be selling their fabrics under her business name. Sherry Ann is surprised because she believes her venture is just a hobby and not a business.

- (i) Explain to Sherry Ann the pros and cons that she will encounter if she accepts the proposition of greeny fabrics limited. [10 marks]
- (ii) Justify to Immaculate why her Hobby is an entrepreneurial venture. [5 marks]
- (iii) Explain to her avenues to look into when seeking funding to expand her venture. [5 marks]

- (iv) Advise why she needs a business plan before engaging with greeny fabrics. Identify four sections of a business plan and explain what should be included in the sections.

[10 marks]

### QUESTION TWO

- (a) Use examples to describe five types of entrepreneurs found in the Kenyan context.

[10 marks]

- (b) Discuss five reasons why entrepreneurial ventures fail in Kenya and suggest ways of minimizing failure.

[10 marks]

### QUESTION THREE

- (a) Evaluation of a new business idea is key in helping minimize high failure among many small business startups. Discuss the criteria for evaluation of a business idea.

[10 marks]

- (b) Explain why market research is important before exploring a business opportunity.

[3 marks]

- (c) Explain the personality attributes based on psychological theory that make an entrepreneur successful.

[7 marks]

### QUESTION FOUR

- (a) Globalization has resulted in a number of changes in the Kenyan business environment. Discuss five issues that entrepreneurs may have to consider when dealing with his phenomenon.

[10 marks]

- (b) When does an idea become an entrepreneurial activity.

[2 marks]

- (c) Explain the process that entrepreneurs take when pursuing an entrepreneurial activity.

[8 marks]