

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF
COMMERCE/ENTREPRENEURSHIP AND ENTERPRISE MANAGEMENT**

BEEM 332: ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT

STREAMS: BCOM/BEEM (ODEL)

TIME: 2 HOURS

DAY/DATE: WEDNESDAY 06/10/2021

11.30 A.M – 1.30 P.M.

INSTRUCTIONS:

- Answer question ONE and any other TWO questions.
- Do not write on the question paper.

- Q1. (a) Australian economist Carl Menger viewed entrepreneurship from an economic perspective who contribute to industrial growth. Discuss this view by Carl Menger and show how entrepreneurs contribute to industrial growth of a country. (10 marks)
- (b) Production is an economic activity and is a source of income and wealth. With relevant examples, identify factors of production used and describe the production process. (10 marks)
- (c) Distinguish economic growth and economic development and describe four factors influencing economic development. (10 marks)
- Q2. (a) Explain the importance of capital as a factor of production and discuss factors affecting capital formation in Kenya. (10 marks)
- (b) The process of starting a new business is embodied in the entrepreneurial development process, describe this process in order in which it is carried out. (10 marks)
- Q3. (a) Studies on entrepreneurship and economic have shown certain economic factors can trigger entrepreneurial activity and small business ownership in a country. In reference to the economic theory of entrepreneurship discuss these economic factors. (10 marks)

- (b) Discuss the concept of a vicious cycle of poverty and its causes. (10 marks)
- Q4. (a) Explain the role of entrepreneurs in the country's economic development. (10 marks)
- (b) The reasons why people cannot satisfy their needs and wants is scarcity of productive resources. Identify these resources and explain how they can be enhanced to increase productivity. (10 marks)
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