

**CHUKA**



**UNIVERSITY**

**UNIVERSITY EXAMINATIONS**

**FOURTH YEAR EXAMINATION FOR THE AWARD OF DEGREE OF  
BACHELOR IN PROCUREMENT AND LOGISTICS MANAGEMENT**

**BEEM 401: ENTREPRENEURSHIP**

**STREAMS: BPLM**

**TIME: 2 HOURS**

**DAY/DATE: WEDNESDAY 24/3/2021**

**8.30 AM – 10.30 AM**

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**INSTRUCTIONS:**

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

**Question One (Compulsory)**

After graduating from Chuka University, you find yourself at a business lunch with the Chief executive officer of a manufacturing company where you have been shortlisted for an interview as a sales representative in one of the territories. You are aware that the CEO started as a messenger several years ago and rose through the ranks of the company to his present position without any formal education. The CEO believes that all a person needs to succeed as an entrepreneurs are experience, motivation and ability. A discussion with him further reveals that the business was inherited from the family and does not maintain a formal business plan.

**Required**

- (a) Explain to the CEO the benefits derived from a start up as opposed to inheriting a family owned enterprise. [8 Marks]
- (b) Explain to the CEO the merits of new business idea generation and evaluation. [10 Marks]
- (c) What arguments would you use to convince him that a business plan is an essential tool in management of the firm. [6 Marks]
- (d) Assist the CEO to understand the major skills required to be successful in enterprise management. [6 Marks]

**Question Two**

Scholastica and Patrick have just graduated from Chuka University and they are contemplating starting their own business so that they can be self-employed, gain independence and autonomy.

(a) Explain to them five merits of being self-employed. [6 Marks]

(b) Explain to them why they should scan and understand the economic and cultural environmental forces before they establish the start up. [14 Marks]

**Question Three**

(a) Entrepreneurial behavior is a function of background factors environmental forces and motivation. With reference relevant theories, discuss the effect of motivation on entrepreneurship behavior. [12 marks]

(b) Joseph Schumpeter described entrepreneurship as” a force of creative destruction’ Discuss this statement. [8 Marks]

**Question Four**

(a) Critically discuss the efforts of the government towards promotion of entrepreneurship and small business in Kenya. [14 Marks]

(b) Explain the rationale for studying entrepreneurship in the context of small business. [6 Marks]

**Question Five**

(a) “ Entrepreneurship development is an appropriate tool and vehicle for economic growth in developing countries”. With the aid of practical examples discuss this statement. [15 Marks]

(b) Differentiate between entrepreneurial and non-entrepreneurial firms. [5 Marks]

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