

**CHUKA**



**UNIVERSITY**

**UNIVERSITY EXAMINATIONS**

**FOURTH YEAR EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR  
OF ENTREPRENEURSHIP AND ENTERPRISE MANAGEMENT**

**BEEM 429: BUSINESS PLANNING**

**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**
1. David is thinking about starting a firm in the health drinks industry. When asked by a potential investor if he had studied the industry, David replied, ‘the health drinks industry is so full of potential it doesn’t need formal analysis. Will David satisfy the investor? Justify your answer and explain the industry and market factors that would be considered for an effective business opportunity. [12 marks]  
(b) Explain the importance of addressing the critical risk factors and contingency in the business plan. [8 marks]  
(c) Explain why an entrepreneur need both a feasibility analysis and a business plan before the start of a new venture. [10 marks]
  2. (a) Peter left employment with the government to start a new business that will process and distribute energy enhanced drink for adult athletes aged above 50 years. Describe the information Peter would put in place as part of his concept statement. [10 marks]  
(b) Highlight the contents of organization and management section of the business plan and explain the role of this section to the success of business. [10 marks]
  3. (a) Explain the function of each of the following sections in the business plan.
    - (i) Break even analysis [3 marks]
    - (ii) Cash flow statement [3 marks]

- (iii) Pro-forma balance sheet [3 marks]
- (iv) Income and loss statement. [3 marks]
- (b) One of the major benefits of having a business plan is to help minimize failure among the business. Explain how the business plan can help minimize the failure. [8 marks]
4. (a) Without a marketing plan section a business plan is not considered complete. Highlight the contents of a marketing plan section and explain its importance to the success of the business. [12 marks]
- (b) State and describe four components of a feasibility analysis. [8 marks]
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