

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

**SECOND YEAR EXAMINATION FOR THE AWARD OF
DEGREE OF BACHELOR OF EDUCATION (ARTS)**

BUST 222: ENTREPRENEURSHIP AND SMALL BUSINESS MANAGEMENT

STREAMS:

TIME: 2 HOURS

DAY/DATE: TUESDAY 13 /07/ 2021

8.30 AM – 10.30 AM

INSTRUCTIONS:

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

Question One

Kimutai and Kirua have just graduated from Chuka University and intend to start their own business and provide employment for themselves and others.

- Briefly explain to them the major parameters they should consider when evaluating business opportunities for investment. [10 Marks]
- Explain to them the disadvantages of buying an existing business as opposed to starting a new one. [10 Marks]
- Discuss the concept of innovation pointing out Schumpeter's views on innovation as an important dimension of entrepreneurship. [10 Marks]

Question Two

Graduates leaving Kenyan Universities are faced with the reality of high levels of unemployment. Therefore they are forced to seek for alternative sources of income by engaging in self-employment. A group of graduates have sought your assistance in starting a new business so that they can be self-employed.

Required

- Explain to them the importance of self-employment. [7 Marks]
- Explain to them how they can start a new business from scratch. [13 Marks]

Question Three

- a) Discuss some of the major government interventions that enhance entrepreneurship growth in Kenya. [10 Marks]
- b) Briefly explain why franchising is considered a better option for business ownership as opposed to start a new business. [10 Marks]

Question Four

- a) Briefly discuss the contribution of MSEs to the Kenyan economy. [12 Marks]
 - b) With reference to relevant theories explain entrepreneurial internal motivating factors that influence entrepreneurial behavior. [8 Marks]
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