

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

**EXAMINATION FOR THE AWARD OF
DIPLOMA IN BUSINESS MANAGEMENT**

DIBM 0215: SMALL BUSINESS MANAGEMENT

STREAMS: DIBM

TIME: 2 HOURS

DAY/DATE: MONDAY 05/08/2019

2.30 PM – 4.30 PM

INSTRUCTIONS:

Answer Question One and any other Two

QUESTION ONE

- (a) Identify 5 characteristics of small businesses. [5 marks]
- (b) State and explain the problems that face small businesses in Kenya. [10 marks]
- (c) Explain 5 essential factors a business person should consider before buying an existing business. [5 marks]
- (d) State and explain the criticisms levelled against self-employment. [10 marks]

QUESTION TWO

- (a) Discuss reasons that would influence a prudent person to seek self-employment other than salaried employment. [10 marks]
- (b) Mwangi wishes to establish a business in Chuka town. Explain to him the various essential components he should include in his business plan. [10 marks]

QUESTION THREE

- (a) Discuss the creativity process. [10 marks]
- (b) State and explain giving examples five source of funds available to a small business man. [10 marks]

QUESTION FOUR

- (a) Explain the advantages of franchising to a franchiser. [5 marks]
- (b) Identify methods through which an individual can identify and recognize a business opportunity. [5 marks]
- (c) Discuss the role of small business in the development of Kenyan economy. [10 marks]
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