

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

CHUKA & EMBU

THIRD YEAR EXAMINATION FOR THE AWARD  
OF DEGREE OF ENTREPRENEURSHIP AND ENTERPRISE MANAGEMENT

BEEM 332: ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT

STREAMS: BEEM/ BCOM

TIME: 2 HOURS

DAY/DATE: WEDNESDAY 06/12/2017 2.30 P.M. – 4.30 P.M.

**INSTRUCTIONS: ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS**

- Q1. (a) Discuss the concept of entrepreneurship and economics and show their relationship. [10 marks]
- (b) Adam Smith, David Ricardo and Richard Cantillon had different views regarding what contributes to economic development. Explain their views on economic development and give your opinion on the role of entrepreneurs on economic development. [12 marks]
- (c) Describe four types of economic utility created during the production process. [8 marks]
- Q2. (a) Joseph Schumpeter considered entrepreneurs to be the force of creative destruction. Explain what he meant by this concept and state four different dimensions of this creative destruction. [10 marks]
- (b) Describe the key steps involved in setting up an entrepreneurial venture. [10 marks]
- Q3. (a) Discuss the governments support systems and incentives to drive economic development in the country. [12 marks]
- (b) Explain why over-reliance on agriculture without value addition may not lead to economic development. [8 marks]
- Q4. Discuss the concept of the vicious cycle of poverty and the role of entrepreneurship in breaking this cycle. [20 marks]