

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

FOURTH YEAR EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR
OF ARTS IN COMMUNITY DEVELOPMENT

CDEV 451: MANAGEMENT OF MICRO AND SMALL BUSINESS

STREAMS: B.A Y4S1

TIME: 2 HOURS

DAY/DATE: THURSDAY 7/12/2017

2.30 P.M - 4.30 P.M.

INSTRUCTIONS:

- Answer Question ONE and any other TWO Questions.

QUESTION ONE

- (a) What is micro enterprise and small business? Justify the need for developing and supporting this sector in the Kenyan economy. [10 Marks]
- (b) Discuss the management competences necessary for the success of micro and small enterprises. [12 Marks]
- (c) Peter is considering starting a small business in his local community after retirement. Advise Peter on how he could identify new business opportunity. [8 Marks]

QUESTION TWO

- (a) Evaluation of new business ideas is important in helping minimize high failure rate among many small business start ups. Discuss five criteria that can be used in the evaluation. [10 Marks]
- (b) Marketing plays a key role in the micro and small enterprise success. Explain the role of marketing in the success of these enterprises. 10 Marks]

QUESTION THREE

- (a) Identify and explain possible sources of start-up finance for micro and small enterprises. [10 Marks]
- (b) Business planning is an important activity undertaken after identification and evaluating of a business opportunity. Explain business plan functions and benefits. [10 Marks]

QUESTION FOUR

Discuss causes of the micro and small business failure and suggest ways of minimizing failure rate. [20 Marks]

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