

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

EXAMINATION FOR THE AWARD OF DIPLOMA IN BUSINESS MANAGEMENT

DIBM 0216: PRINCIPLES OF ENTREPRENEURSHIP

STREAMS:

TIME: 2 HOURS

DAY/DATE: TUESDAY 07/08/2018

8.30 A.M. – 10.30 A.M.

INSTRUCTIONS:

- **Answer questions ONE and any other TWO questions.**

- Q1. (a) Define the term entrepreneur and explain steps involved in the entrepreneurship process. (12 marks)
- (b) Discuss the benefits and drawbacks of self-employment. (8 marks)
- (c) Explain how entrepreneurs identify and recognize business opportunity. (10 marks)
- Q2. (a) Describe five factors that entrepreneurs can use to evaluate an attractive business opportunity. (10 marks)
- (b) Discuss the internal and external entrepreneurial motivating factors. (10 marks)
- Q3. (a) Describe five entrepreneur characteristics and show how they contribute to entrepreneur success. (10 marks)
- (b) Explain the concept of
- (i) Entrepreneurs as a “force of creative destruction” as described by Joseph Schumpeter and state its different forms. (10 marks)

(ii) Explain different ways in which entrepreneurs contribute to economic development of your country. (10 marks)

Q4. Discuss factors contributing to small business failure and provide solutions to minimize the failure rate. (20 marks)
