CHUKA   **UNIVERSITY**

UNIVERSITY EXAMINATIONS

RESIT/SPECIAL EXAMINATION

EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF SCIENCE IN AGRICULTURAL EDUCATION AND EXTENSION

AGBM 103: PRINCIPLES OF ENTREPRENEURSHIP

STREAMS: BSC AGED, AGBM AND AGEC   **TIME: 2 HOURS**

DAY/DATE: TUESDAY 02/02/2021   **8.30 A.M – 10.30 A.M.**

INSTRUCTIONS
- Answer question **ONE** and any other **THREE** questions.

QUESTION ONE (25 MARKS)

a) Explain the concept of small and medium enterprise   (4 marks)

b) A key element of entrepreneurship is risk bearing as indicated by Knight. Discuss four features of risk bearing theory   (4 marks)

c) Describe entrepreneurs' contribution to the economy   (4 marks)

d) Explain the term "entrepreneur"   (3 marks)

e) Differentiate between an innovator and an inventor   (4 marks)

f) Discuss any four consideration affecting development of small and medium enterprises

(4 marks)

g) Identify two sectors of the economy in which small and medium enterprises engage in

(2 marks)

QUESTION TWO (15 MARKS)

a) Explain any five theories of entrepreneurship.   (5 marks)

b) Discuss five functions which the concept of innovation and it's corollary development embraces.   (10 marks)

QUESTION THREE (15 MARKS)

a) Discuss three needs a person acquires as a result of one's life experience as indicated by McClelland.   (5 marks)

b) Explain the innovation theory of Schumpeter.   (10 marks)

QUESTION FOUR (15 MARKS)

a) Discuss the five components of the entrepreneurial start-up process.   (5 marks)

b) Describe how entrepreneurs can succeed.   (10 marks)

QUESTION FIVE (15 MARKS)

a) Explain five sources of capital in venture creation.   (5 marks)

b) Discuss five factors that may hinder economic development of small and medium enterprises.   (10 marks)