

THARAKA



UNIVERSITY

COLLEGE

UNIVERSITY EXAMINATIONS

FOURTH YEAR EXAMINATION FOR THE AWARD OF DEGREE
OF BACHELOR OF COMMERCE

BCOM 404: ENTREPRENEURSHIP AND SMALL BUSINESS MANAGEMENT

STREAMS: BCOM (Y4S2)

TIME: 2 HOURS

DAY/DATE: MONDAY 06/04/2020

8.30 A.M. – 10.30 A.M.

INSTRUCTIONS: Answer question ONE and any other TWO questions

QUESTION ONE (30 MARKS)

Susan, a friend of yours, has always had a nagging desire to be her own boss by starting her own business. She has a good job with a well reputable firm but has several business ideas for new products that she can't get her employer interested in and would wish to start her own business. She is however, not sure whether her business ideas represent a good business opportunity and whether she should quit and start her own business or stick with the employer.

Required:

- (a) Distinguish between a business idea and a business opportunity. [4 marks]
- (b) Discuss factors that Susan would use to evaluate her ideas for a good business opportunity [12 marks]
- (c) As an entrepreneur, what advice would you give to Susan and what attributes does she require to have to be a successful entrepreneur [10 marks]
- (d) Distinguish between an entrepreneur and small business manager. [4 marks]

QUESTION TWO (20 MARKS)

- (a) Entrepreneur is a persona while entrepreneurship involves the process or activities the entrepreneurs undertake in the starting and operating a business. Describe the process of entrepreneurship in the order in which the activities are undertaken. [12 marks]
- (b) Distinguish between a social entrepreneur and intrapreneur. [8 marks]

QUESTION THREE (20 MARKS)

- (a) Discuss the role of entrepreneurship and small business ownership in the social and economic development of your country [10 marks]
- (b) Assume you have been hired to identify entrepreneurial firms among small businesses at Marimanti trading centre. Explain five characteristics of small businesses that you would focus on. [10 marks]

QUESTION FOUR (20 MARKS)

- (a) Discuss the internal and external motivating factors that may contribute to entrepreneurial development in your country [10 marks]
- (b) According to Joseph Schumpeter, entrepreneurship involves changes and coming up with new ways of doing things. Discuss the importance of innovation in any enterprise.

[10 marks]
