

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

**EXAMINATION FOR THE AWARD OF BACHELOR OF ENTERPRISE AND
ENTREPRENEURSHIP MANAGEMENT AND BACHELOR OF COMMERCE**

BEEM 332: ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT

STREAMS: BEEM (ODEL)

TIME: 2 HOURS

DAY/DATE: MONDAY 09/12/2024

2.30 P.M. – 4.30 P.M.

INSTRUCTIONS:

- **Answer Question ONE and any other Two Questions**
- **Do not write on the question paper and begin each answer on a fresh page**

Q1 (a) Think of a local entrepreneur, could even be yourself. Describe the factors of production that the entrepreneur combined in the production process. State the nature of production and explain how this effort by the entrepreneur contributes to economic development. (15 marks)

(b) Distinguish between economic growth and economic development. (5 marks)

(c) Discuss the role of entrepreneurship and small and medium-sized enterprises (SMEs) in promoting economic development. (10 marks)

Q2 (a) Explain the vicious cycle of poverty and show how it can be broken (12 marks)

(b) An Australian economist Carl Menger described entrepreneurs as change agents who contribute to industrial growth leading to economic growth. Discuss this concept and show how the economic growth is achieved (8 marks)

Q3 (a) The strategic role of capital in raising the level of production has traditionally been

recognized in economics. Discuss the importance of capital in the production and the factors influencing its formation (10 marks)

(b) Describe five characteristics of developing and low income countries and their linkage to poverty (10 marks)

Q4. (a) Discuss **three** economic and **three** non-economic factors likely to influence economic growth of a country. (12 marks)

(b) Entrepreneurship is more likely to thrive where economic factors and incentives are favourable. In reference to the economic theory of entrepreneurship, discuss this statement with examples. (8 marks)

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