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UNIVERSITY



UNIVERSITY EXAMINATIONS

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

BEEM 111: PRINCIPLES OF ENTREPRENEURSHIP**STREAMS: BEEM/BCOM (ODEL)****TIME: 2 HOURS****DAY/DATE: WEDNESDAY 07/08/2024****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

Question one**CASE STUDY TOM'S DILEMMA**

Tom, a friend of yours has always had a nagging desire to be his own boss(self-employed) by starting his own business in the food industry. He has a good job with one the major fast food companies in Kenya but has several business ideas for new products that he can't get his employer interested in and would wish to start his own business.

However, Tom is not sure whether his business ideas represent a good and viable business opportunity and whether he should quit and start his own company or stick with his employer. Tom is also not sure if he has what it takes to be an entrepreneur because his friend of him informed him that entrepreneurs are born not made.

Required

- a) Opportunity conditions arise from a variety of sources. Discuss various sources of business opportunity and distinguish between business ideas and business opportunity (10 marks)
- b) Should Tom quit employment and start his own company? Justify your answer (4 marks)

- c) Describe three factors that Tom can use for evaluation of his business ideas to prove that it represents a good business opportunity (6 marks)
- d) What attributes does Tom need to be a successful entrepreneur? (4 marks)
- e) As an entrepreneur clarify to Tom whether entrepreneurs are born or made. (6 marks)

Question two

- a) Most business start-ups fail before 4 years. Discuss personal and external factors that are likely to contribute to the failure and what can be done to minimize the failure rate. (12 marks)
- b) Explain the Schumpeterian concept of entrepreneurs as force of creative destruction. (8 marks)

Question three

- a) Business planning is an important activity in the entrepreneurial development process. Discuss the functions and the benefit of this activity. (10 marks)
- b) The entrepreneur and a Manager of the business have distinct and important roles in the success of the business. Describe the roles of each in the business and show their importance. (10 marks)

Question four

- a) Discuss the significance of entrepreneurship and small business ownership in fostering economic development in your country (10 marks)
 - b) Peter and James are brothers with two different personalities. Peter has an internal locus of control type of personality while James has an external locus of control type of personality. Describe the two types of personality and explain who among the brothers is more likely to be successful with justification. (10 marks)
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