

CHUKA



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: MONDAY 08/04/2024

8.30 A.M – 10.30 A.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. CASE STUDY HELLEN'DILEMMA

Hellen, a friend of yours has always had a nagging desire to be her own boss (self-employed) by starting her own business in the food industry. She has a good job with the major fast food companies in Kenya 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.

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

REQUIRED

- (a) Distinguish between business ideas and business opportunity. (4 marks)
- (b) Should Hellen quit employment and start her own company? Justify your answer. (10 marks)
- (c) Describe three factors that Hellen can use to evaluate if her business ideas represent a good business opportunity. (6 marks)
- (d) What attributes does Hellen need to be a successful entrepreneur? (4 marks)

- (e) As an entrepreneur clarify to Hellen whether entrepreneurs are born or made. (6 marks)
- Q2. (a) Explain the term entrepreneur. How different is the person who first launches a new business and a person who takes up a job as the manager of the business in terms of roles and responsibilities. (10 marks)
- (b) Opportunity conditions arise from a variety of sources. Discuss various sources of business opportunity. (10 marks)
- Q3. Discuss the significance of entrepreneurship in fostering economic development in your country. (20 marks)
- Q4. (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. (15 marks)
- (b) Explain the Schumpeterian concept of entrepreneurs as force of creative destruction. (5 marks)
-