



TECHNICAL UNIVERSITY OF MOMBASA

FACULTY OF ENGINEERING

DEPARTMENT OF MECHANICAL AND AUTOMOTIVE ENGINEERING

DIPLOMA IN MARINE ENGINEERING

EMR 2218: BUSINESS PLANNING II

END OF SEMESTER EXAMINATIONS

SERIES: MAY 2016

TIME: 2 HOURS

INSTRUCTIONS:

- This paper consists of sections **A** and **B**
- Section **A** is **Compulsory**. Answer any **TWO** questions in section **B**
- Mobile phones are not allowed into the examination room.
- Cheating leads to disqualification.
- This paper consists of three printed pages.**

SECTION A (COMPULSORY) 30 MARKS

QUESTION 1.

- a) Differentiate between business planning and business [4 Marks]
- b) Explain at least Eight reasons as to why you need a business plan as an entrepreneur
[16Marks]
- c) Briefly explain the features of a business plan [10 Marks]

SECTION B

QUESTION 2.

- a) Explain at least five entry and growth strategies by entrepreneurs in business [10 Marks]
- b) List and explain at least five classes of business [10 Marks]

QUESTION 3.

- a) List at least Eight sources of finance for an entrepreneur [10 Marks]
- b) What are the requirements for an entrepreneur to register his business [10 Marks]

QUESTION 4.

Discuss the steps required to start a business [20 Marks]

QUESTION 5.

- a) Briefly explain the benefits of a marketing plan? [4 Marks]

- b) Draw an organization chart of a business of your choice [4 Marks]

- c) List at least **three** rights of an employer [6 Marks]

- d) Explain at least **three** pre-operations costs [6 Marks]

Q 1 a) Business planning – Application of planning techniques to business activities concerned with production, marketing etc.

Business – Any economic activity undertaken in order to gain profit

b) Need for a business plan

- To avoid his mistakes, togetherness, developing a gauge plan, raising capital, flexible idea convincing investors, future focusing, business goals and objectives, control of business, cash flow management etc [Student to explain]

c) Features of a business plan

- Excessive summary, business description, marketing plan, organizational and management plan, operational and management plan, financial plan, ensuing issue

Q 2 a) Entry and growth strategies

- Advertisement, word of mouth, advertising to maintain existing customers, employing qualified staff, keeping good relationship between management and staff.

b) Classes of businesses

- Retailers and distributors, service business, Agriculture and mining, transportation, financial information, manufacturing, real estate, etc [student to explain]

Q 3 a) Sources of finance for an entrepreneur

- Family and friends, bank loan, owners savings, venture capitalists, dividends, retained earnings, donations, leasing, government grants etc

b) Requirements for an entrepreneur to register a business

- Building, licenses, organizational regulations, health requirements, labour laws, insurance etc

Q 4 Steps to start a business

- Business idea, market research, business play [student to explain each step]

Q 5 a) Benefits of a market plan

- Increase market share, improved sales, increased profit [4Marks]

b) Organizational chart

c) Rights of employer

- Discipline employees, suspend employees, lead evidence, call witness, Access to documents etc

d) Operations cost

- Cost of acquiring premises, writing business plan, acquiring funds, key assets etc

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