



TECHNICAL UNIVERSITY OF MOMBASA
Faculty of Business & Social Studies

DEPARTMENT OF BUSINESS STUDIES

DIPLOMA IN PROCUREMENT AND MATERIALS MANAGEMENT
DIPLOMA IN COMMUNITY DEVELOPMENT AND COUNSELLING
DIPLOMA IN HUMAN RESOURCE MANAGEMENT
DIPLOMA IN MECHANICAL ENGINEERING

BEN 2202: BUSINESS PLANNING

SPECIAL/SUPPLEMENTARY EXAMINATIONS

SERIES: FEBRUARY 2015

TIME: 2 HOURS

INSTRUCTIONS:

- This paper consists of **FIVE** questions.
- Answer question **ONE (Compulsory)** and any other **TWO** questions.

This paper consists of Three printed pages.

QUESTION 1 (Compulsory)

- a) Differentiate between a business plan and business planning. (4 marks)
- b) If you were preparing a business plan for an entrepreneur, what areas would you focus on? (10 marks)
- c) What is SWOT analysis. (2 marks)
- d) As a businessman engaged in manufacturing, state any **SIX** factors you would consider when selecting a mode of transportation. (6 marks)
- e) What are the merits of using personal selling as a method of promotion? (8 marks)

QUESTION 2

- a) Briefly explain the functions you would perform as the Manager of a business. (10 marks)
- b) Why are organizations charts developed for businesses? (4 marks)
- c) Highlight atleast **SIX** strategies, both entry and growth that a manager or a business owner can use to prosper in his business. (6 marks)

QUESTION 3

- a) Assuming you are intending to start a hardware business. Explain ways you would describe your business. (10 marks)
- b) Explain **FIVE** external sources of finance for a small business. (10 marks)

QUESTION 4

- a) Juma started a tailoring business at Kimathi area without preparing a business plan. As a professional, advise him on **FIVE** reasons why he should prepare one. (10 marks)
- b) i) Define market research. (2 marks)
ii) Explain **FOUR** importance of a market research when writing a business plan. (8 marks)

QUESTION 5

An entrepreneur has estimated the following:

ITEM	Amount (Ksh.)
Sales	10,000
Purchases	15,000
Variable costs	8,000
Net profit	5,000
Gross profit	5,000

Required:

- a) Contributions **(2 marks)**
- b) Break even point **(6 marks)**
- c) Expenses **(4 marks)**
- d) Gross profit as a % of sales **(4 marks)**
- e) Net profit as a % of sales **(4 marks)**