



# TECHNICAL UNIVERSITY OF MOMBASA

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## SCHOOL OF BUSINESS

### DEPARTMENT OF BUSINESS ADMINISTRATION

### UNIVERSITY ORDINARY EXAMINATION FOR:

BACHELOR OF COMMERCE, BACHELOR OF BUSINESS ADMINISTRATION, BACHELOR OF SCIENCE IN MEDICAL LABORATORY SCIENCE AND BACHELOR OF JOURNALISM AND MASS COMMUNICATION.

### BEN 4401: ENTREPRENEURSHIP SKILLS

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### END OF SEMESTER EXAMINATION

**SERIES:**AUGUST2019

**TIME:**2HOURS

**DATE:**Pick Date Aug2019

#### **Instructions to Candidates**

You should have the following for this examination

-*Answer Booklet, examination pass and student ID*

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

**Do not write on the question paper.**

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### **SECTION A. (Compulsory)**

#### **QUESTION ONE**

**Read the following case carefully. Then answer the questions which follow.**

(a) Wadugu Mobile Solutions (WMS) has been a leader in the mobile handset industry for years. After technological advancement, many players entered the market and started to take up the sales share. WMS failed to understand the changing trends in the mobile phone and lost a major percentage of its market share. A competitor by the name Nyamango Mobitech understood the importance of being sensitive to the environmental factors that affect business operations, which

is crucial for any entrepreneur. Nyamango Mobitech sales increased by over 30% above the break-even point.

(i) Explain how understanding of the business environment has helped Nyamango Mobitech? [6 marks]

(ii) Why is Break-even analysis regarded as a useful element of financial plan? [4 Marks].

(b).“Less than five minutes”. That is the amount of time your Business plan has in the hands of many potential investors before they decide “thumbs up” or “thumbs down” on it. In other words, they evaluate a document that may have taken you weeks or even months to prepare in just two moments. For this reason, it is absolutely imperative that you avoid errors that will doom your plan to the rejection file no matter how good other sections of it may be. Identify and explain any “FIVE deadly sins” of new venture business plans. [10 Marks]

(c ) Explain the application of **Abraham Maslow’s** need theory to entrepreneurship development. [10 Marks]

### **SECTION B**

(Answer any **TWO** questions from this Section.)

#### **QUESTION TWO**

(a) In the economic development of the nation, the entrepreneur’s role has been observed as distorting or disturbing the status quo (the general equilibrium) through innovation. Using this statement as a basis of your argument, explain how an entrepreneur is seen as agent of change who distorts the general equilibrium of the economy. [10 Marks]

(b) Describe the following mechanisms through which innovations can be commercialized citing the challenges that can arise in each case;

(i) The Government. [5 Marks]

(ii) Corporate Entrepreneurship. [5 Marks]

#### **QUESTION THREE**

(a) Describe the factors that may still account for lower participation rates of women than men in entrepreneurship. [10 Marks]

(b) Discuss the problems of starting and operating a small business in Kenya. [10 Marks]

#### **QUESTION FOUR**

(a) Discuss **any FIVE** factors that an entrepreneur should put into consideration prior to commencing trading on the internet. [10 Marks]

(b) Entrepreneurship has been regarded as a process of identifying an opportunity and taking risks in order to get profit. In light of this statement, explain the reasons why entrepreneurs **need to/should** come up with new business ideas. [10 Marks]

### **QUESTION FIVE**

(a) Financial Institutions rarely reveal everything concerning a loan to their customers. In view of this, what would you advise an entrepreneur to pay attention to when choosing a source of Finance for his/her business. [10 Marks]

(b) With the aid of a diagram and relevant illustrations, discuss the Product-Evolution process with key features and attributes exhibited. [10Marks]