



THE MOMBASA POLYTECHNIC UNIVERSITY COLLEGE

(A Constituent College of Jkuat)

Faculty of Engineering and Technology

DEPARTMENT OF MECHANICAL & AUTOMOTIVE ENGINEERING

DIPLOMA IN MECHANICAL & AUTOMOTIVE ENGINEERING
DIPLOMA IN MECHANICAL ENGINEERING
DIPLOMA IN AUTOMOTIVE ENGINEERING

BAC 2102: ENTREPRENEURSHIP

SPECIAL/SUPPLEMENTARY EXAMINATION

SERIES: FEBRUARY/MARCH 2012

TIME: 2HOURS

INSTRUCTION TO CANDIDATES

You should have the following for this examination

- *Answer booklet*

This paper consists of **FIVE** questions.

Attempt any **THREE** questions

Maximum marks for each part of a question are as shown.

This paper consists of **TWO** printed pages

QUESTION ONE (20 MARKS)

- a) Define the following terms as used in entrepreneurship studies
- (i) Creativity
 - (ii) Limited liability
 - (iii) Assets
- (6 marks)
- b) Explain the concept of entrepreneurial culture (4 marks)
- c) (i) Identify and explain any myths associated with entrepreneurship
- (ii) Explain any **FIVE** differences between a partnership and a sole proprietorship form of business Ownership (10 marks)

QUESTION TWO (20 MARKS)

- a) (i) Explain any **FIVE** environmental factors an entrepreneur should consider before starting a business enterprise
- (ii) State any five sources of finance available to a business owner (10 marks)
- b) (i) Describe **FIVE** causes of business failure in Kenya
- (ii) Identify any five Kenya Laws which affects the operation of business in Kenya (10 marks)

QUESTION THREE (20 MARKS)

- a) (i) State **TWO** advantages of personal savings as a source of business finance
- (ii) Give **THREE** advantages of borrowing from financial institutions as a source of finance
- (iv) Explain **FIVE** main components of a legal and binding business contract (10 marks)
- b) (i) Explain **FOUR** main factors an entrepreneur should consider when selecting a source of finance
- (ii) Identify **SIX** main components of a business plan (10 marks)

QUESTION FOUR (20 MARKS)

- a) (i) Explain **FIVE** main challenges facing a small enterprise in Kenya
- (ii) Outline **FIVE** main social concerns of an enterprise in the society (10 marks)
- b) (i) Identify any **FIVE** support services available to a prospective entrepreneur in Mombasa
- (ii) Explain the differences between limited liability and unlimited liability in relation to business ownership (10 marks)

QUESTION FIVE (20 MARKS)

- a) (i) Briefly explain the importance of computers and phone in the improvement of business efficiency
- (ii) Identify and explain **FOUR** main marketing activities in a small enterprise (10 marks)
- b) (i) Identify any **THREE** emerging trends in entrepreneurship
- (ii) Describe legal factors that can put the operation of a partnership to an end. (10 marks)