



THE MOMBASA POLYTECHNIC UNIVERSITY COLLEGE

Faculty of Business & Social Studies

DEPARTMENT OF HOSPITALITY & TOURISM

DIPLOMA IN TOURISM MANAGEMENT

(DTM A09)

ENTREPRENEURSHIP EDUCATION

END OF SEMESTER EXAMS

SERIES: APRIL, 2010.

TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES

1. The paper consists of **TWO** Sections **A** and **B**.
2. Section **A** is compulsory. Answer **ALL** questions.
3. Answer any **TWO** questions from Section **B**. All questions in Section **B** carry equal marks.

SECTION A (Answer **ALL** questions)

- Q.1 (a) Define the following terms as used in entrepreneurship; giving an and give an example in each case.
- (i) Creativity (2 marks)
 - (ii) Brainstorming (3 marks)
 - (iii) Franchise (3 marks)
 - (iv) Business opportunity (2 marks)
- (b) Explain any **FIVE** characteristics of an enterprising society. (10 marks)
- (c) An entrepreneur should be scanning the environment constantly to identify a viable business idea. Explain why an entrepreneur should generate business ideas. (10 marks)

SECTION B

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

- Q.2 An entrepreneur's ability to take initiative and also bear the risk in setting up a small business depends on the key success factors named below. Explain each success factor in relation to entrepreneurship.
- (i) Idea and market. (4 marks)
 - (ii) Business Plan (4 marks)
 - (iii) Motivation and Determination (4 marks)
 - (iv) Ability (4 marks)
 - (v) Resources (4 marks)
- Q.3 (a) Explain any **FIVE** reasons why Small Businesses (SMEs) are important to the economic development of Kenya. (10 marks)
- (b) Miss Chogeyo who currently runs a successful Boutique, has experienced business failure twice. Explain the factors that might have led to the failure of Miss Chogeyo's business. (10 marks)
- Q.4 (a) (i) Define a partnership form of business ownership. (2 marks)
- (ii) Differentiate a partnership agreement between partners and a partnership deed as per the Partnership Act Kenya laws. (8 marks)
- (b) Explain how the promotion of Small Scale Enterprises can benefit your local area. (10 marks)

Q.5 While being an entrepreneur has many benefits and provides many opportunities, anyone starting a business must also be aware of the potential problems. Name and explain the benefits and potential problems of starting a business.

- (i) Benefits of starting a business. (10 marks)
- (ii) Potential problems which the entrepreneur should be aware of. (10 marks)