KENYATTA UNIVERSITY

EXAMINATION FOR THE DEGREE OF BACHELOR OF COMMERCE

UCU 411: INTRODUCTION TO ENTREPRENEURSHIP

2ND SEMESTER 2023/2024 **TIME: 2 HOURS**

INSTRUCTIONS: Attempt Question 1 and any other 2.

Read an excerpt of the following article by Tevin Nderitu adapted from Business Daily and answer the questions that follow:

Why startups fail and what we can do o mitigate collapse by Tevin Nderitu

Starting and running a successful business venture is not for the faint-hearted. Successful business owners must possess the ability to mitigate company-specific risks while simultaneously bringing a product or service to the market and have a unique selling proposition that can be used for a company to build its competitive advantage.

Did you Know?

According to a survey done by the Nation Media Group, 154,155 businesses are registered in Kenya and out of these it translates to an average of 428 businesses registered in a day.

Current statistics stipulate that in Kenya alone there are 7.14 Million SMEs in Kenya and 70 pper cent of these fails. The government through allocation of the 2021-2022 budgets, set aside an additional Sh. 2 billlion for the credit assurance scheme for the SME sector.It is also projected that 70 percent of employment opportunities come from the SME sector.

1a. According to the article at least 70% of the businesses in Kenya fail, identify at least 5 reasons why businesses fail and ways to mitigate the collapse. (10 marks)

b. Using the Business model canvas tool, illustrate various strategies that a business can use to bring about products or services that have a unique selling proposition while building the company's competitive advantage. (10 marks)

c. In order to mitigate the company specific risks as stated in the excerpt above, an entrepreneur should be able to adequately do business screening to evaluate the risk versus return of a business enterprise. Identify at least five tools that entrepreneurs can use to screen the potentiality of a business enterprise. (10 marks)

2a. Entrepreneurship is both a science and an art, provide your discussion of this statement supporting your assertions with relevant examples. (10 marks)

b. Discuss the five theories of entrepreneurship and provide their relevance in identifying business opportunities. (10 marks)

3a The design thinking process is a tool that can be used in identifying business opportunities. Illustrate using a business venture of your choice, the five steps of design thinking and how they can used in ensuring that you come up with businesses that meet the users needs. (15 marks)

b. Differentiate the business model canvas and the business plan. (5 marks)

4a. Illustrate at least ten practical ways in which a business innovator can protect their business ideas. (10 marks)

b. Highlight the steps involved when registering a business venture in Kenya. (10 marks)