KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2017/2018

FIRST SEMESTER EXAMINATION FOR THE DEGREE OF

MASTER OF BUSINESS ADMINISTRATION

BBA 870: ENTREPRENEURSHIP AND SMALL BUSINESS MANAGEMENT

DATE: TUESDAY 6TH FEBRUARY 2018 **TIME: 5.30 P.M. - 8.30 P.M.**

INSTRUCTIONS: Answer question ONE and Attempt other THREE (3) questions.

Question ONE.

A chance of a lifetime

Makau and Mutua live in Mathare area of Nairobi. They run a Posho Mill which brought in sales worth Ksh150,000 last year. Six months ago the economy suffered a down turn and their business revenue dropped substantially. They have been forced to lay off their five mill operators. Realizing that relatives, friends and bankers had loaned them as much as they could. The two (Makau and Mutua) have been looking for fresh sources of funds. They intend to use the money to buy machinery that will enable them to diversify their business services. In this way, they believe they will stand a better chance of surviving economic changes and challenges. Being young entrepreneurs they learn from a friend that the Kenya government has come up with a youth enterprise fund (Uwezo) to help small business enterprises of young and upcoming entrepreneurs. They have also learnt that the Uwezo fund provides capital to small scale businesses as well.

Early next week they will visit the Trade District Officer at Uwezo fund offices in the local county to learn more about this enterprise fund that is lending money to young entrepreneurs. They will want to know how they lend money and what requirements and restrictions are associated with borrowing from these Uwezo fund enterprise. As Makau said to Mutua last night, "this might be our chance of a lifetime".

On the basis of case, answer the following questions.

(i) Why would the Government Uwezo fund enterprise for the youth want to lend money to Mutua and Makau partnership business (10 marks)

(ii) What requirements and restrictions would be attached to a loan from the Uwezo fund entrepreneurship? (10marks)

(iii) Recommend other avenues the two can utilize to achieve their much needed business goals (10 marks)

2. Explain in detail four (4) basic kinds of skills required by an entrepreneur to run his business enterprise successfully. (10 marks)

3.a) Highlight the characteristics of a good business opportunity (3 marks)
b) Explain the process of evaluating a good business opportunity (3 marks)
c) For an entrepreneurship to start a small Business Venture and run and operate it successfully, indicate the conditions necessary for the small business enterprise. (4 marks)

4. Advise an upcoming entrepreneur as to how he can grow and develop his business enterprise through the stages of the entrepreneurial processes (10 marks)

5. "Creativity and Innovation" are the drivers of a successful business enterprise. Discuss (10 marks)