KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2017/2018

FIRST SEMESTER EXAMINATION FOR THE DEGREE OF DEGREE OF MASTER OF BUSINESS ADMINISTRATION

BBA 876: ENTREPRENEURSHIP DEVELOPMENT SEMINAR

DATE: WEDNESDAY 7TH FEBRUARY 2018 **TIME: 5.30 P.M. - 8.30 P.M.**

INSTRUCTIONS:

Read the case below and answer the questions that follow

TALKING THE TALK, WALKING THE WALK

Peter Mutisia is tough. He is the chief Executive of First Choice Holidays. He states that he was borne tough with the quality reinforced by his early training in business. The challenges in the travel industry have made him even tougher.

Since he started First Choice Holidays in 1996, he has had to make tough decisions. In September 2007, he swiftly cut 1,400 jobs anticipating a sharp decline in business. His success in turning round First Choice Holidays has won him great respect from people in travel industry.

After school he took a business studies course and he confesses that while undertaking the course, he always felt that he would like the cut and thrust of it. He qualified as a Management accountant and gained experience in that area after working for several companies before he set on his own business. He states that he has learnt not to be emotional about business. He knows very well that his role is to deliver dreams to all his customers.

He tried to buy another company another tour company but failed to raise the required money. He felt very miserable and when he woke up the following morning, he realized it was not important to think more because after all his First Choice was doing well. He thought he could re-build his enterprise to create more business. After several years, he thought he would convince shareholders in his company to consider a merger but conceded defeat from them. He accepted the fact that the merger had compelling logic but shareholders were eyeing the hostile bid from the other company.

Answer the following questions:

(i) What issues are evident about the strengths and limitations of entrepreneurs running a large, mature company? (10 marks)

(ii) Was it wise for Mr. Mutisia to retrench his firm during tough times a job for the entrepreneur? Give reasons for your answer (10 marks)

(iii) In your opinion, what are some of the business traits you learn from Mr. Mutisia? (10 marks)

ANSWER THREE QUESTIONS FROM THIS SECTION

2. Explain to an upcoming entrepreneur five sources of business finance and at the same time highlight one advantage and one disadvantage of each source. (10 marks)

3. Discuss the challenges that entrepreneurs face in Kenya and in each case show/indicate how you would mitigate each challenge (10 marks)

4. A potential entrepreneur has approached you for advice on the benefits of a good business plan. Explain to him such benefits (10 marks)

5. Most businesses started in Kenya fail to grow for various reasons. Explain some of the reasons that cause this business failure (10 marks)