KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2011/2012

SECOND SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF SCIENCE (HOSPITALITY AND TOURISM)

<u>HTM 311: ENTERPRISE DEVELOPMENT IN HOSPITALITY AND TOURISM</u>

DATE: WEDNESDAY 28 MARCH 2012 TIME: 4.30 PM – 6.30 PM

<u>INSTRUCTIONS</u>

Answer Question ONE (Compulsory) and any other TWO Question.

Q.1) (a) Assuming you are an entrepreneur with required start up capital, which form of venture undertaking you would prefer for a Small and Micro enterprise business. Show how you would start up the venture. (8 marks)

(b) Briefly explain the legal aspects of small business venture understanding in tourism and hospitality industry. (5 marks)

(c) Creativity and Innovation are the processes of entrepreneurship, briefly explain their advantage to an entrepreneur. (5 marks)

(d) You intend to set up an enterprise in your locality, elaborate on the various means you would use to generate a business idea. (6 marks)

(e) Explain how bankers/lenders evaluate the small business for credit Worthiness. (6 marks)

Q.2) (a) One of the major concerns in the management of an enterprise is ensuring adequate financing at each stage of the enterprise growth. Discuss the main sources of financing for small enterprise in Kenya. (10 marks)

(b) State reason why a business might use budgets as part of its management. (5 marks)

(c) "The key to getting a small business loan is preparation". Explain. (5 marks)

Q.3) (a) Describe the incentives the Government has used to encourage the development of small enterprise sector in Kenya's tourism and hospitality industry? (10 marks)

(b) "Any successful business venture must be based on a solid and visible business plan" In light of the above statement, prepare a draft plan, imagining that you are a young entrepreneur wishing to open a bakery in Nairobi area, while clearly highlighting the core areas of a business plan illustrating with examples. (10 marks)

Q.4) (a) Write short notes on;

(i) Pure entrepreneurs
(ii) Corporate entrepreneurs
(iii) First generation entrepreneurs
(iv) Trading entrepreneurs
(v) Conservative entrepreneurs (10 marks)

(b) Most small business owners do not keep records in their businesses. Explain \ some of the reasons for failure to keep records. (10 marks)

Q.5) (a) "To ensure an effective marketing, an entrepreneur must have clear strategy and develop a marketing plan that involves a marketing process". Describe the activities of this process? (10 marks)

(b) What is Cash Flow circle? Explain the methods used by business to improve cash flow. (5 marks)

(c) The concept of entrepreneurship is fairly new in areas of academic and research that is still evolving, creating lots of confusion and misconceptions. Identify and dispel any five commonly held myths and misconceptions of entrepreneurship. (5 marks)

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