



# MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

FIRST YEAR SECOND SEMESTER EXAMINATION FOR

**2601/101/EP: DIPLOMA IN ELECTRICAL & ELECTRONIC TECHNOLOGY (POWER OPTION)**

**2705/101/EP: DIPLOMA IN BUILDING TECHNOLOGY AND CIVIL ENGINEERING**

**2502/101/EP: DIPLOMA IN MECHANICAL ENGINEERING**

**2503/101/EP: DIPLOMA IN AUTOMOTIVE ENGINEERING**

**ENTREPRENEURSHIP EDUCATION**

**DATE: 2/11/2020**

**TIME: 8.30-11.30 AM**

---

## INSTRUCTIONS:

Answer any **FIVE** questions. All questions carry equal marks.

1. a) Makini Youth Group comprises of fresh graduates from a local university. They intend to start a spare part sales company. Explain five ways of matching entrepreneurial skill with the business they are venturing into. (10 marks)
- b) Highlight five sources of business Ideas. (10 marks)
2. a) Sole proprietorship is a form of business ownership which is preferred by small scale entrepreneurs. Explain five merits of sole proprietorship. (10 marks)
- b) Explain five stages in the business life cycle. (10 marks)
3. a) Explain five ways in which an enterprise may demonstrate its responsibility towards its competitors. (10 marks)
- b) Explain five importance of enterprise social responsibility. (10 marks)
4. a) Highlight five challenges faced when starting a small business enterprise. (10 marks)
- b) Outline five disadvantages of operating a partnership form of business enterprise. (5 marks)
5. a) Explain five sources of business Finance. (10 marks)
- b) Highlight the factors to consider when choosing a source of finance. (10 marks)
6. Discuss ten ways of managing time effectively in business operation. (20 marks)
7. a) Outline five importance of maintaining book-keeping records (10 marks)
- b) State the records necessary for a small business. (10 marks)