



# MACHAKOS UNIVERSITY

University Examinations 2019/2020 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

FIRST YEAR SECOND SEMESTER EXAMINATION FOR  
DIPLOMA IN FOOD AND BEVERAGE PRODUCTION (TVET)

DIPLOMA IN FASHION DESIGN

ENTREPRENEURSHIP

DATE: 25/3/2020

TIME: 11.30-2.30 PM

---

## INSTRUCTIONS: ANSWER ANY FIVE QUESTIONS

1. a) Describe the procedure of starting a small enterprise from the scratch. (10 marks)  
b) Explain any 5 resources for a business startup. (10 marks)
2. a) With aid of a diagram describe a business life cycle. (10 marks)  
b) Explain any 5 indicators of a good business opportunity. (10 marks)
3. a) Explain the first 5 components of a business plan. (10 marks)  
b) Outline 5 disadvantages of partnership and 5 advantages of sole proprietorship. (10 marks)
4. a) Advice a young man who wishes to start an SME factors he needs to consider before he starts. (10 marks)  
b) Explain clearly any 4 sources of business ideas. (8 marks)  
c) State 2 ways an entrepreneur can demonstrate social responsibility towards the society. (2 marks)
5. a) State 10 sources of startup finances in Kenya (10 marks)  
b) Explain 5 circumstances that can make a partnership be dissolved (10 marks)
6. a) Explain the following challenges faced by entrepreneurs at the startup stage

- i. Gender inequality
  - ii. Inadequate business skills
  - iii. unfavorable Political climate (6 marks)
- b) Distinguish between social corporate responsibility and social entrepreneurship (4 marks)
- c) Explain the following marketing activities in a small enterprise. (10 marks)
  - i. Promotion
  - ii. Advertising
  - iii. Branding
  - iv. Market Segmentation
  - v. Pricing