



# **MAASAI MARA UNIVERSITY**

**REGULAR UNIVERSITY EXAMINATIONS  
2018/2019 ACADEMIC YEAR  
SECOND YEAR FIRST SEMESTER**

**SCHOOL OF BUSINESS AND ECONOMICS  
DIPLOMA IN BUSINESS MANAGEMENT**

**COURSE CODE: DBM 015**

**COURSE TITLE: ENTREPRENEURSHIP**

**DATE :21<sup>ST</sup> AUGUST 2019**

**TIME : 1430 - 1630HRS**

**INSTRUCTIONS TO CANDIDATES**

**Answer Question ONE and any other THREE Questions**

*This paper consists of 2 printed pages. Please turn over.*

1. (a) State FIVE entrepreneurial traits that a successful entrepreneur portrays. **(5 marks)**
- (b) Cultural background has an impact on an entrepreneur's performance. Explain five ways in which cultural background may affect performance of an entrepreneur. **(10 marks)**
- (c) Makeba, the proprietor of Sunko Restaurant, opened her doors to the public but within six months the restaurant was closed down. Explain any five reasons that may have contributed to the closure. **(10 marks)**
2. (a) Mr. Muraya, the director of Red Fresh Fries Enterprises is faced with fierce competition from upcoming rivals. Advise him on any five strategies that he may adopt to cope with the situation. **(5 marks)**
- (b) Explain any four factors that may influence an entrepreneur to act unethically in a business enterprise. **(10 marks)**
3. (a) The growth of micro-financial institutions in Kenya has led to an increase in start up capital advanced to small business owners. Explain five ways used by these institutions in making lending decisions. **(5 marks)**
- (b) Ms Magdalene was advised by a management consultant to undertake a feasibility study before starting a business enterprise. Explain the benefits that she may derive from this exercise. **(10 marks)**
4. (a) Explain the importance of entrepreneurship to the Kenya economy **(5 marks)**
- (b) Distinguish between economic and social theories of entrepreneurship **(10 marks)**
7. (a) Frank Kija, an automobile engineer, is looking for a location for his new motor vehicle repair business. Advise him on the factors to consider when selecting a suitable site for the business, **(10 marks)**
- (b) Mrs. Ogutu, an entrepreneurship expert, has advised Mrs. Makelo to start a sole proprietorship business. Highlight five reasons for such advice. **(5 marks)**

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