



MAASAI MARA UNIVERSITY
REGULAR UNIVERSITY EXAMINATIONS
2021/2022 ACADEMIC YEAR
SECOND YEAR FIRST SEMESTER

SCHOOL OF BUSINESS AND ECONOMICS
BACHELOR OF COMMERCE

COURSE CODE: BSE 2103-1

**COURSE TITLE: ENTREPRENEURIAL VENTURE
CREATION**

DATE:

TIME:

INSTRUCTIONS TO CANDIDATES

Question **ONE** is compulsory

Answer any other **two** questions

Question 1. Read the following case study and answer the questions.

The making of a shoe repair shop

Susan and Mburu – her husband runs a small shoe repair kiosk for the last four years. They are one of those couples who have gone against the grain and found an opportunity in a business that for years has been associated with dirt. What began as a desperate move to make ends meet has turned out to be a reliable source of income for them generating up to ksh 30,000 per month. “It all started one evening when a customer wanted to have her shoe repaired at our rural market only to find the shoe repairer who used to operate from a shop verandah had closed early that day”. MrMburu narrates. “I offered to deliver her shoe to the repairer’s home then she could collect it the following day”. On my way to the repairer’s home a thought came to me that I could actually repair the shoe and deliver it to her the following day and earn some income. He continues. He never turned back and four years down the line, he shows no signs of turning back. His wife learned the skills a few months later simply by watching her husband while in action. “He used to carry customers’ shoes to the house and while he was doing the work, I was busy learning”, she says. At first customers never had confidence in her but today she has overtaken her husband in terms of customer base. Other than shoe repair the couple has introduced inner sole making, shoe polish stands and Susan is also trying dyeing of “ciondo” - a business which seems to be promising. Their main challenge has been security considering the fact that their kiosk is temporary. They are forced to carry their goods every morning and evening, a task which is tiresome.

Finally, they advise the youth to free themselves from the mentality that in order to succeed, they must be employed.

REQUIRED

- i)** What are the entrepreneurial characteristic(s) depicted by this couple?
(5 marks)

- ii)** If you were to screen this business idea of shoe repair, which three screening criteria(s) would have scored highest consideration and why?
(5 marks)

- iii)** Discuss any other three challenges faced by this couple.**(5 marks)**

- iv)** Describe any two growth strategies depicted in this case.**(5 marks)**

- v)** Identify the advantages of the form business organization found in this case study.
(5 marks)

Question Two

- a) Discuss the key areas to consider when scanning for a business opportunity and justify the relevance of each .
(7marks)

- b) What are the major paths to small enterprise operation available to an entrepreneur.
(8marks)

Question Three

You have been approached by the governor of Kakamega County to address the youths on the key factors to consider when starting and running a business venture. Giving reasons, explain why most businesses fail at a tender age and suggest pit falls to avoid. **(15 marks)**

Question Four

- a) Onyango is in the process of starting a business venture in one of the major towns in the country. Describe factors that he should consider to enable him start and run a successful venture **(8 marks)**
- b) Discuss the current emerging issues facing entrepreneurship development in Kenya **(7 marks)**

Question Five

A successful entrepreneur should understand the characteristic of all the stages of a venture development. Discuss new venture development showing the key activities of an entrepreneur in each stage. **(10 marks)**