



MAASAI MARA UNIVERSITY

**REGULAR UNIVERSITY EXAMINATIONS
2017/2018 ACADEMIC YEAR
SECOND YEAR/SECOND SEMESTER**

**SCHOOL OF BUSINESS & ECONOMICS
BACHELOR OF COMMERCE**

**COURSE CODE: BCM 2211
COURSE TITLE: ENTREPRENEURSHIP
THEORY & CONCEPTS**

DATE: 3RD MAY 2018

TIME: 0830 - 1030 HRS

INSTRUCTIONS TO CANDIDATES

Answer question **ONE** and any other **THREE** questions

This paper consists of 3 printed pages. Please turn over.

PART A: COMPULSORY. Read the case study and answer the questions.

QUESTION ONE

Saitoti had worked for only 3 years as an accountant in Furaha Company a government parastatal situated in Narok town before he was retrenched following some structural adjustments in the company. Them that had worked for several years walked out with some handsome hand shake but not so for James.

After settling some debts which he had incurred, he sought refuge from his aunty Sain who runs a restaurant business in Total estates, which she inherited from her parents a couple of years ago. It is one of the well known restaurants in the neighborhood.

After working in the restaurant for sometimes, Saitoti realized that there was so much of the market that remained unexploited. Several educational institutions could be approached for outside catering, a juice and snack outlet needed to be introduced to the increasing student population in the neighborhood, a 24 hour service will take care of the clientele brought about by a public transport system to the upcountry that has introduced night buses.

Aunty Sain was convinced and agreed to have Saitoti as a partner. Backed by his accounting background, Saitoti organized some of the books of account of the business and successfully applied for an overdraft of Ksh 200,000 from a micro finance. Driven by these accomplishments, Saitoti approached a landlord in the town centre with a view of opening another branch and has hired three 'tuktuk' taxis to supply other institutions on the other side of the town.

Required

- i) Which are the schools of theory that apply in this case study and why?
(7 marks)
- ii) Compare and contrast the entrepreneurial characteristics that are depicted by the two individuals.
(6 marks)
- iii) What role does creativity and innovation play in micro and small enterprise similar to the mentioned case
(6 marks)
- iv) Advice Jane on the strengths and weaknesses of engaging in a partnership
(6 marks)

QUESTION TWO

a) Explain ways that the government can explore in developing an enterprise culture in Kenya. **(10 marks)**

b) Distinguish the terms entrepreneurs and Intrapreneurs as used in entrepreneurship **(5marks)**

QUESTION THREE

(a) Explain any five areas where entrepreneurship has contributed to economic development in Kenya. **(10marks)**

(b) Discuss any five sources of finance for starting a new venture in Kenya. **(5marks)**

QUESTION FOUR

(a) Explain how an entrepreneur can enhance creativity in his/her organization. **(10 marks)**

(b) Identify any five major changes that create opportunities for entrepreneurs. **(5marks)**

QUESTION FIVE

With reference to the business life cycle, discuss any five problems entrepreneurs encounter in the developing world. **(15 mks)**

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