

**CHUKA**



**UNIVERSITY**

**UNIVERSITY EXAMINATIONS**

**FOURTH YEAR EXAMINATION FOR THE AWARD OF DEGREE OF  
BACHELOR OF SCIENCE (COMMUNITY DEVELOPMENT)**

**CDEV 451: MANAGEMENT OF MICRO AND SMALL BUSINESSES**

**STREAMS: B.SC (CDEV) SSP/SB Y4**

**TIME: 2 HOURS**

**DAY/DATE: TUESDAY 16/4/2013**

**8.30 A.M. – 10.30 A.M.**

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**INSTRUCTIONS:**

**Answer Question One and any other two questions.  
Do not write on the question paper.**

**Question One**

- (i) Discuss the factors that you would consider in order to classify various categories of business organizations. [10 marks]
- (ii) Assume you have graduated from Chuka University in the area of community development and that you want to start a community development project in the area of small business to help reduce poverty in the community by generating extra income. Explain the challenges that you will expect to encounter and how to overcome them to make the project a success. [10 marks]
- (iii) In various circumstances it is difficult to divorce micro and small businesses from entrepreneurship and therefore entrepreneurship development is necessary in both cases. In the light of this statement and giving appropriate examples discuss the factors that affect the development of entrepreneurship. [10 marks]

**Question Two**

- (i) What is your understanding to competitive advantage? [3 marks]
- (ii) Discuss the areas which small business can use to gain competitive edge and hence compete with large business organizations. [15 marks]

(iii) Explain types of small businesses.

[2 marks]

**Question Three**

Discuss the various sources of finance for small businesses.

[20 marks]

**Question Four**

Using the correct format discuss the components of a business plan.

[20 marks]

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