

CHUKA



UNIVERSITY

COLLEGE

UNIVERSITY EXAMINATIONS

FIRST YEAR EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF AGRIBUSINESS MANAGEMENT, BACHELOR OF SCIENCE (AGRICULTURE) AND BACHELOR OF SCIENCE (ANIMAL SCIENCE)

AGBM 103: PRINCIPLES OF ENTREPRENEURSHIP

**STREAMS: B.AGBM, B.Sc. (Agric), B.Sc. (AGEC)
B.Sc. (ANSC) Y1S2**

TIME: 2 HOURS

DAY/DATE: FRIDAY 3/8/2012

8.30 A.M. - 10.30 A.M.

INSTRUCTIONS:

Answer question one and any other two questions.

Question One: (30 Marks)

(NB: Case Study attached)

Read the case study attached and answer the following questions.

- (a) According to David McClelland, entrepreneurs have an inborn need to achieve. Describe ways in which Kabunge presents these characteristics. [10 marks]
- (b) To quit her job of ten years at the age of Thirty one years so as to go into business, Kabunge had to make certain decisions. Explain some of the considerations that Kabunge had to make. [10 marks]
- (c) Explain five entrepreneurial competencies that Kabunge has. [10 marks]

Question Two:

A partnership is one legal form of a business organization in Kenya.

- (a) Discuss the contents of a partnership deed. [10 marks]
- (b) Discuss the various circumstances under which a partnership may be dissolved by law. [10 marks]

Question Three:

Entrepreneurs hold a clear picture of what direction they want their business to take and possess a plan to guide it from conception to realization. Prepare a detailed business plan for a new venture. [20 marks]

Question Four:

- (a) A number of theories have been advanced to explain why entrepreneurs behave the way they do. The key ones are economic, managerial, psychological, sociological theories. Using relevant examples show how the economic and sociological factors influence entrepreneurial behaviour. [15 marks]
- (b) Distinguish between
 - (i) entrepreneurship and intrapreneurship [2 marks]
 - (ii) creativity and innovation [3 marks]

Question Five:

Using your recently acquired entrepreneurship skills, explain the following to a group of small business traders in Chuka town:

- (a) Explain the major sources of finance available for start-ups. [5 marks]
 - (b) The entrepreneurial process. [10 marks]
 - (c) Business idea or opportunity screening. [5 marks]
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