

**CHUKA**



**UNIVERSITY**

**COLLEGE**

**UNIVERSITY EXAMINATIONS**

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

**CDEV 451: MANAGEMENT OF MICRO & SMALL BUSINESS**

**STREAMS: B.SC. (COM.DEV) Y4S1**

**TIME: 2 HOURS**

**DAY/DATE: THURSDAY 19/4/2012**

**8.30 A.M. – 10.30 A.M.**

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**INSTRUCTIONS:**

Answer Question ONE and any other TWO Questions.

Question One:

- (a) Describe the meaning of ‘small (micro) business’ as used in the study of management. [5 marks]
- (b) Discuss critically the role of small businesses in the Kenyan economy. [10 marks]
- (c) In order to attain enterprise objectives, business managers must perform their functions efficiently and effectively. Discuss the functions of managers in facilitating this role. [8 marks]
- (d) Traditionally, small business owners have been rather immune to the benefits associated with marketing, ranking it lower in importance than with other functions. Discuss the role and benefits of marketing activities to small business firms. [7 marks]

Question Two:

“Small Micro Enterprises’ (SME’s) in Kenya don’t survive beyond their first birthday.” Discuss the challenges and reasons leading to failure of small businesses in Kenya. How can Kenyan entrepreneurs overcome these challenges to survive in the changing business environment?

[20 marks]

Question Three:

- (a) Discuss the key entrepreneurial skills necessary for successful running of a business enterprise. [10 marks]
- (b) Discuss the common business ownership options available to an entrepreneur. [10 marks]

Question Four:

- (a) Financing of small business is a challenge for small entrepreneurs in this country.  
Discuss the major sources of capital for small business. [10 marks]
- (b) You have been appointed by XYZ Company Ltd to advise the firm on appropriate management practices to be adopted in a new business line. With your expertise in small and micro business management, advise XYZ Co. on the managerial planning process to be adopted by the firm to enhance decision making. [10 marks]
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