



**MERU UNIVERSITY COLLEGE
OF SCIENCE & TECHNOLOGY**

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University Examinations 2011/2012

STAGE V, EXAMINATION FOR DIPLOMA IN INFORMATION TECHNOLOGY

CED 0217: ENTREPRENEURSHIP SKILLS

DATE: DECEMBER 2011

TIME: 1½ HOURS

INSTRUCTIONS: *Answer question **one** and any other **two** questions*

QUESTION ONE – (30 MARKS)

- (a) Define entrepreneurship and discuss the two basic elements involved in it. (6 Marks)
- (b) Discuss the role of entrepreneurship in National economic development. (10 Marks)
- (c) Discuss the entrepreneurial behaviour theories. (10 Marks)
- (d) What do you understand by SWOT analysis? (4 Marks)

QUESTION TWO – (15 MARKS)

- (a) What is the importance of marketing to business firms? (7 Marks)
- (b) Explain how Maslow's law on hierarchy of needs can help a potential entrepreneur in getting a business idea. (8 Marks)

QUESTION THREE – (15 MARKS)

- (a) Discuss any five disadvantages of sole proprietorship. (5 Marks)
- (b) Explain the steps that lead to formation of a limited company (10 Marks)

QUESTION FOUR – (15 MARKS)

- (a) Define marketing (5 Marks)
- (b) Discuss two new product pricing strategies. (4 Marks)
- (c) Discuss any three elements in the promotion mix. (6 Marks)

QUESTION FIVE – (15 MARKS)

(a) Define business planning

(5 Marks)

(b) Discuss five essentials of a good business plan.

(10 Marks)