



SOUTH EASTERN KENYA UNIVERSITY

UNIVERSITY EXAMINATIONS 2017/2018

FIRST SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF SCIENCE IN DRYLAND ANIMAL SCIENCE, AGRICULTURE AND HORTICULTURE

AEC 407: MICROENTERPRISE DEVELOPMENT AND MANAGEMENT

DATE: 08TH DECEMBER, 2017

TIME: 4.00 -6.00 PM

Instructions: Answer ALL questions in Section I and any TWO questions in Section II

Section I: Compulsory (30 Marks)

1. Describe the important characteristics and skills that successful entrepreneurs must possess (6 Marks)
2. Differentiate between micro and small enterprises as defined by the Micro and Small Enterprises Act 2012 (6 Marks)
3. Explain the importance of Micro and small enterprises to the economies of developing countries (6 Marks)
4. Explore the alternative ways of becoming a new business owner in Kenya (6 Marks)
5. Describe the main elements of a business plan (6 Marks)

Section II: Answer any TWO questions (40 Marks)

6. a) Discuss four characteristics of Micro and Small Enterprises (MSE) and for each characteristic, identify the associated operational challenges that affect MSEs (20 Marks)
7. a) Discuss the role of the state in the running of Micro and Small Enterprises (10 Marks)
b) Describe the basic management functions in a micro and small enterprise (10 Marks)
8. a) Briefly explain the importance of financial management for micro and small enterprises (8 Marks)
b) Most micro and small enterprises collapse within the first year of their operation. Briefly discuss the causes of this business failure and suggest what you as a manager can deal with each cause (12 Marks)