



MASENO UNIVERSITY
UNIVERSITY EXAMINATIONS 2015/2016

SECOND YEAR SECOND SEMESTER EXAMINATIONS FOR THE
DEGREE OF MASTER OF SCIENCE IN ENTREPRENEURSHIP

CITY CAMPUS

**MBE 802: ENTREPRENEURIAL BEHAVIOUR AND
CULTURE**

Date: 21st April, 2016

Time: 5.30 - 8.30 pm

INSTRUCTIONS:

- This paper consists of SIX questions. Answer any FOUR questions. All questions carry equal marks.

QUESTION ONE

- a) Discuss the basic tenets of the following models of Human Behaviour
- I. Psychoanalytic Model (3 marks)
 - II. Existential Model (2 marks)
 - III. Behaviouristic Model (2 marks)
 - IV. Cognitive Model (2 marks)
- b) Discuss six factors influencing individual behavior (6 marks)

QUESTION TWO

- a) A project requires a capital outlay of £900 000 and earns the following cash inflows over the following seven years:

Year	1	2	3	4	5	6	7
Inflows	200	250	300	450	400	200	150

Calculate

- i. The payback period (4 marks)
 - ii. The average rate of return (4 marks)
- b) Define a family business and explain five challenges family businesses face in their entrepreneurial ventures (7 marks)

QUESTION THREE

- a) An initial investment of £ 2 500 in a project produces cash inflows of £ 750, £ 750, £ 900, £ 900 and £ 595 at 12 month intervals. The cost of capital to finance the project is 10 %. You are required to decide whether the project is worthwhile using the Net Present Value (9 marks)
- b) Define the term Risk and discuss the risk management process (6 marks)

QUESTION FOUR

- a) One of the problems with the traditional goal setting approach is that goals lose clarity and focus as lower-level managers attempt to interpret and define the goals for their areas of responsibility. To this end, the MBO has been found to offer a better approach. Discuss the Steps involved in a typical MBO Program (10 marks)
- b) Describe and illustrate five criticisms of planning (5 marks)

QUESTION FIVE

- a) Define stress and explain five different sources of stress to employees (7 marks)
- b) Describe the following decision making models (8 marks)
 - i. Traditional model
 - ii. Rational comprehensive mode
 - iii. Incremental models
 - iv. The Garbage Can Models

QUESTION SIX

- a) Discuss the social exchange theory in relation to entrepreneurial social networks (10 marks)
- b) Describe five socio-psychological antecedents of entrepreneurial behavior (5 marks)