



**MASENO UNIVERSITY**  
**UNIVERSITY EXAMINATIONS 2016/2017**

**FOURTH YEAR SECOND SEMESTER EXAMINATION FOR  
THE DEGREE OF BACHELOR OF ARTS IN INTERIOR  
DESIGN WITH INFORMATION TECHNOLOGY**

**MAIN CAMPUS**

**ADT 449: SMALL BUSINESS MANAGEMENT**

Date: 26<sup>th</sup> July, 2017

Time: 8.30 - 11.30am

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**INSTRUCTIONS:**

- Answer ALL Questions in section A and any other TWO in section B.



**SECTION A = 40 MARKS**

**ANSWER ALL QUESTIONS IN THIS SECTION**

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- 1a). Define the following terms, **4mks**
- i. Management
  - ii. Opportunity
  - iii. Entrepreneurship
  - iv. Marketing
- b) Give four (4) reasons stating the importance of small scale business, **4mks**
- c) Describe briefly three (3) basic skills necessary to run a small scale business, **6mks**
- 2a). Suggest five (5) main characteristics of a good entrepreneur. **5mks**
- 3a). Outline five (5) factors to consider when selecting a good business opportunity. **5mks**
- b) Identify five (5) advantages one stands to enjoy in a partnership business. **5mks**
- 3 What is business finance **1mk**
- b) Briefly describe three (3) basic types of finances. **6mks**
- c) Explain briefly the two (2) main sources of business finance. **4mks**

**SECTION B = 30 MARKS. ANSWER ONLY TWO QUESTIONS**

- 4 You have just started your business and you still don't have adequate resources to put together an elaborate accounting system. Discuss the rules you would put in place in order to manage your cash. **15mks**
- 5) In details give reasons that make people consider self employment. **15mks**
- 6) For every small business to thrive there should be a favorable environment for the smooth operation of the business. Discuss. **15mks**
- 7) According to interior motivational theory human beings are driven by three basic factors which are economically acquired. Explore these factors. **15mks**
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