



MERU UNIVERSITY COLLEGE OF SCIENCE & TECHNOLOGY

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University Examinations 2011/2012

FIRST YEAR, SECOND SEMESTER EXAMINATION FOR DIPLOMA IN BUSINESS
ADMINISTRATION/DIPLOMA IN AGRICULTURAL EDUCATION AND
EXTENSION/CERTIFICATE IN AGRICULTURE

DBA 0212/BUS 0162: ENTREPRENEURSHIP SKILLS

DATE: DECEMBER 2011

TIME: 1½ HOURS

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

QUESTION ONE – (30 MARKS)

- (a) A business opportunity is an attractive project idea which an entrepreneur accepts as a basis for investment opportunity.
- (i) Describe characteristics of a good business opportunity. (5 Marks)
 - (ii) Highlight various sources of business skills. (5 Marks)
- (b) Briefly explain Joseph Schumpeter's views of innovation as an important dimension of entrepreneurship. (5 Marks)
- (c) State five stages of business enterprise growth. (5 Marks)
- (d) Explain five internal and five external factors that influence entrepreneurial motivation towards entrepreneurship. (10 Marks)

QUESTION TWO – (20 MARKS)

- (a) Both entrepreneurship and small business activities are beneficial to an economy in various ways. Using relevant examples, discuss the benefits. (15 Marks)
- (b) Enumerate the roles of non-governmental organizations in entrepreneurship and small business activities in Kenya (5 Marks)

QUESTION THREE – (15 MARKS)

- (a) Describe five major changes that create opportunities for entrepreneurs. (10 Marks)
- (b) Business finance is needed at various stages and for various purposes. Highlight ten such purposes. (10 Marks)

QUESTION FOUR – (20 MARKS)

Evaluate five disadvantages of:

- (a) Sole proprietorship
- (b) Partnership
- (c) Limited company
- (d) Public corporations (20 Marks)

QUESTION FIVE – (20 MARKS)

Write short notes on:

- (a) Psychological theory of entrepreneurship (5 Marks)
- (b) Sociological theory of entrepreneurship (5 Marks)
- (c) Internal motivation (5 Marks)
- (d) External motivation (5 Marks)