****

MAASAI MARA UNIVERSITY

**REGULAR UNIVERSITY EXAMINATIONS**

**2016/2017 ACADEMIC YEAR**

**THIRD YEAR SECOND SEMESTER**

**SCHOOL OF BUSINESS AND ECONOMICS**

**BACHELOR OF BUSINESS MANAGEMENT**

**COURSE CODE: BBM 375**

**COURSE TITLE: INNOVATION AND MICRO**

**ENTERPRISE DEVELOPMENT**

**DATE: 28TH APRIL 2017 TIME: 2.00PM-4.00PM**

**INSTRUCTIONS TO CANDIDATES**

* ***Answer question ONE (compulsory) and any other THREE***
* ***Question one carries 25 marks***
* ***All other questions carry 15 marks***

*This paper consists of 3 printed pages. Please turn over*

**QUESTION ONE**

1. Define the following concepts as used in innovation and micro enterprise development
2. Innovation **(3 marks)**
3. Micro enterprise **(3 marks)**
4. Revolutionary innovation **(3 marks)**
5. Discuss the roles of an entrepreneur in the development of small and micro enterprise **(6 marks)**
6. Briefly explain the role of research and development in innovation of products among small and micro enterprise **(10 marks)**

**QUESTION TWO**

1. “People in developing countries become entrepreneurs out of necessity” discuss this statement providing reasons for micro enterprise development in Kenya **( 5 marks)**
2. Discuss the reason why micro enterprise are considered as having the ability to unlocking the economic potential of developing countries

**(10 marks)**

**QUESTION THREE**

1. Briefly discuss Two main types of innovation **(5 marks)**
2. Briefly explain how entrepreneurs promote social change in the modern Kenya **(5 marks)**
3. Provide Three reasons why entrepreneurship is considered important factor in innovation process **(5 marks)**

**QUESTION FOUR**

1. Citing concrete examples, explain government interventions that promote micro enterprises growth in Kenya. **(5 marks)**
2. Micro enterprise in Kenya like any other developing country faces a number of challenges including high rate exit from the market. Discuss the factors that led to micro enterprise exit from the market. **(10 marks)**

**QUESTION FIVE**

1. Briefly highlight five simple processes necessary for the implementation of product innovation **(5 marks)**
2. Micro enterprise faces diverse barriers to successful innovation. Explain barriers faced by micro enterprise in Kenya **(10 marks)**