



UNIVERSITY OF EMBU

2016/2017 ACADEMIC YEAR

SECOND SEMESTER EXAMINATION

**FIRST YEAR EXAMINATION FOR THE DEGREES OF BACHELOR OF SCIENCE IN
AGRIBUSINESS MANAGEMENT**

**AEB 104: SMALL AND MEDIUM ENTERPRISE DEVELOPMENT AND
ENTREPRENEURSHIP**

DATE: APRIL 10, 2017

TIME: 8:30-10:30AM

INSTRUCTIONS:

Answer Question ONE and ANY other TWO Questions

QUESTION ONE (30 MARKS)

- a) Explain the concept of small and medium enterprise (4 marks)
- b) Briefly explain four characteristics of small and medium enterprises (4 marks)
- c) Explain the term production efficiency (2 marks)
- d) Describe entrepreneurs' contribution to the economy (4 marks)
- e) Explain the term "entrepreneur" (3 marks)
- f) Differentiate between an innovator and an inventor (4 marks)
- g) Discuss any four considerations affecting development of small and medium enterprises (4 marks)
- h) Explain five sources of capital in venture creation (5 marks)



QUESTION TWO (20 MARKS)

- a) Discuss any four theories of entrepreneurship (8 marks)
- b) Explain four functions which the concept of innovation and its corollary development embraces (12 marks)

QUESTION THREE (20 MARKS)

- a) Discuss three needs a person acquires as a result of one's life experience as indicated by McClelland (8 marks)
- b) Explain the innovation theory of Schumpeter (12 marks)

QUESTION FOUR (20 MARKS)

- a) Discuss the five components of the entrepreneurial start-up process (15 marks)
- b) Describe how entrepreneurs can succeed (5 marks)

QUESTION FIVE (20 MARKS)

- a) Discuss five factors that may hinder economic development of small and medium enterprises (15 marks)
- b) Explain how small and medium enterprises can be improved in Kenya (5 marks)

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