



PAN AFRICA CHRISTIAN UNIVERSITY

(BACHELOR OF BUSINESS INFORMATION TECHNOLOGY)

END OF TERM EXAMINATION

DEPARTMENT: COMPUTING & INFORMATION TECHNOLOGY

COURSE CODE: BCIT303

CAMPUS: ROYSAMBU

COURSE TITLE: ENTREPRENEURSHIP & BUSINESS PLANNING

EXAM DATE:

TIME: MONDAY- 2PM

INSTRUCTIONS

- This exam script has **TWO (2)** sections.
- Read all questions carefully before attempting.
- Answer All questions in Section **A** and any other **THREE** questions in Section **B**.
- None programmable calculators permitted
- Calculators on phones, tablets and computers are **NOT** permitted in Theory Papers

SECTION A

(Answer ALL questions in this section)

QUESTION 1

Read the case below and answer the following questions:

THE CYCLE SHOP

In 2015, Nicholas opened a second-hand bicycle shop in the city of Kandy in Sri Lanka. He had always wanted to run his own business because he wanted to be his own boss. He worked for 12 years in a tea factory and saved KSH 100 000. Nicholas had a passion for bicycles and spent a lot of his spare time as a hobby restoring old bicycles and selling them to local people. The shop, located in a Kandy backstreet, had a small garage at the rear where he carried out repairs. Nicholas employed his younger brother as a shop assistant while he spent most of the time repairing, maintaining and restoring old bicycles. Before the shop was opened Nicholas had to:

- obtain a KSH 30,000 loan from his grandmother
- buy some new tools and equipment
- find suitable premises, ideally with somewhere to carry out repair work
- refurbish the premises

Nicholas worked very hard. However, it was worth it because in 2016 the Cycle Shop made a profit of KSH 90,600. Nicholas thought he might start to sell new bicycles in the future if he could get financial assistance.

- a) Explain why you think Nicholas opened a second-hand bicycle shop. **(2 Marks)**
- b) Discuss THREE advantages and THREE disadvantages by Nicholas borrowing from his grandmother. **(6 Marks)**
- c) Advise Nicholas of TWO financial sources that would best suit his type of business. **(2 Marks)**

SECTION B

(Answer any THREE (3) questions in this section)

QUESTION 2

**PAN AFRICA CHRISTIAN UNIVERSITY
EXAMINATIONS PAPER**



You work for a company which produces ipads and the Marketing Department has asked you to assist them in conducting competition analysis. Using examples, discuss FIVE reasons for conducting a competition analysis. **(10 Marks)**

QUESTION 3

- a) Discuss THREE ways the Government of Kenya assist small and medium-sized enterprises with research and development. **(6 Marks)**
- b) Describe FOUR factors that may promote the growth of Micro, Small and Medium Enterprises (MSMEs) in Kenya. **(4 Marks)**

QUESTION 4

- a) Describe which type of business enterprise would be appropriate for the following: **(4 Marks)**
- i. A plumber working on their own.
 - ii. A solicitor's practice.
 - iii. A small family brewing business.
 - iv. A large restaurant chain.
- b) Explain the significance of limited liability to the following business organizations
- i. Sole traders. **(1 Mark)**
 - ii. Partnerships. **(1 Mark)**
- c) With examples, explain TWO social impacts of Entrepreneurial Firms on the community. **(4 Marks)**

QUESTION 5

- a) Describe the most appropriate sources of finance available to each type of enterprise when:
- i. Setting up in business **(1 Marks)**
 - ii. Expanding the business. **(1 Marks)**

**PAN AFRICA CHRISTIAN UNIVERSITY
EXAMINATIONS PAPER**



- b) Describe FOUR types of financial information to include in a business plan and why are they important. **(8 Marks)**

QUESTION 6

- a) Wekesa is a small business owner and wants to promote his products. Explain FIVE basics of the promotion mix that he may use. **(5 Marks)**
- b) XYZ Company Limited is a small-scale business which intends to market its products internationally through the internet. Explain FIVE advantages of using this method. **(5 Marks)**

End of Exam