



PAN AFRICA CHRISTIAN UNIVERSITY

(BACHELOR OF BUSINESS INFORMATION TECHNOLOGY)

END OF TERM EXAMINATION

DEPARTMENT: COMPUTING & INFORMATION TECHNOLOGY

COURSE CODE: BIT310

CAMPUS: ROYSAMBU

COURSE TITLE: BUSINESS PLAN DEVELOPMENT

EXAM DATE:

TIME: WEDNESDAY 11AM

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:

Maji Plumbing

Maji Plumbing was started by Susan Soi and is a female owned plumbing business. Susan is a Plumbing and Solar Engineering graduate and won the silver award in the first Poster and Pitch Competition. Although she started out focusing mainly on plumbing solutions, her company also offers the following services: kitchen and bathroom renovations, solar installations, carpentry services and hot water cylinder repairs.

With the silver award of KSH100 000 and her own funds, she started Maji Plumbing in 2016. Susan says that her company is built on the core values of honesty, loyalty, integrity and safety. She escorts her team to each job in order to ensure quality workmanship.

She was determined to make a name for herself in the plumbing industry. She has been operating her business successfully for over five years now and has more than 5 employees working for her. Her company operates throughout the Nairobi County.

- a) Explain TWO reasons why Susan embarked on this project. **(2 Marks)**
- b) Describe FOUR characteristics of Susan's entrepreneurial profile.
(2 Marks)
- c) Discuss the target market for Susan's business. **(3 Marks)**
- d) Identify THREE competitive advantages for Susan's business. **(3 Marks)**

SECTION B

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

QUESTION 2

- a) As an entrepreneur, explain THREE circumstances you would need to prepare a business plan. **(6 Marks)**
- b) If you had a business that was highly dependent on Word of Mouth (WOM) marketing, describe FOUR ways you would ensure the information passed along was positive. **(4 Marks)**

QUESTION 3

Citing relevant examples, discuss FIVE methods through which an entrepreneur can create new economic opportunities according to Joseph Schumpeter. **(10 Marks)**

QUESTION 4

- a) Juma has been in business for the past one year. Explain FIVE challenges Juma might be experiencing as a new entrepreneur in Kenya. **(5 Marks)**
- b) Describe FIVE characteristics of a good business opportunity. **(5 Marks)**

QUESTION 5

- a) A small restaurant wants to expand, but first it needs to raise funds. John wants to raise capital through debt financing, but his partner, Daniel, is not sure that's a good idea. Explain THREE downsides of debt financing that Daniel could cite to prove his point to John. **(6 Marks)**
- b) Highlight FOUR questions that a possible investor would want answered concerning the market of the new business. **(4 Marks)**

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QUESTION 6

- a) Discuss how can entrepreneurs uses the PEST tool to their advantage before launching a business. **(8 Marks)**
- b) Identify TWO methods KFC can use to differentiate itself from rival fast food chains like Burger King. **(2 Marks)**

End of Exam