



**PAC INSTITUTE OF TECHNOLOGY AND SOCIAL STUDIES
JANUARY– APRIL 2025 ASSESSMENT**

FORMATIVE ASSESSMENT

Qualification : Diploma in Counseling Psychology

Unit of Competency : Entrepreneurship Skills

WRITTEN ASSESSMENT

TIME: 3 HOURS

INSTRUCTIONS TO THE CANDIDATE:

- 1. Read all the instructions carefully before attempting the questions.*
- 2. This paper consists of two sections, A & B.*
- 3. You are allowed 3 Hours to Answer the questions.*
- 4. Marks for each question are indicated in brackets.*
- 5. Write your responses in the Separate Answer booklet provided.*
- 6. Do not write anything on this question paper.*

SECTION A: (40 MARKS)

Attempt all questions in this section.

1. During career guidance for finalist trainees, they identified a sole proprietorship as the most form of business organization. State FOUR advantages associated with a sole proprietorship. **(4 Marks)**
2. Lack of motivation is a major cause of low staff morale of employees in a business. Mention THREE useful motivational theories the business can use as a guide to decide on the best way to motivate its staff. **(3 Marks)**
3. Identify THREE factors that affect the product demand of a commodity. **(3 Marks)**
4. Business environment refers to all the components that affect a business. In each type of the following type of business environment, name TWO factors that constitute each environment. **(4 Marks)**
 - a). Internal Environment
 - b). External Environment
5. You have been invited to participate in the development of an entrepreneurship hand book. Highlight THREE characteristics of an entrepreneur that you will include in the hand out. **(3 Marks)**
6. A candidate was asked in an interview to mention ways in which one can become an entrepreneur. State FOUR ways you would expect the candidate to have given as responses. **(4 Marks)**
7. Outline THREE challenges that an entrepreneur would face when starting a small business. **(3 Marks)**
8. Name FOUR factors that an entrepreneur would consider when evaluating a viable business opportunity. **(4 Marks)**
9. In an assessment, trainees are supposed to identify the entry requirements into self-employment. Point out THREE entry requirements into self-employment. **(3 Marks)**
10. Business linkages are the channels through which enterprises influence each other's economic performance. Identify TWO types of business linkages that an enterprise can enter into. **(2 Marks)**
11. Entrepreneurship trainees had a discussion about the differences between an entrepreneur and a business person. Differentiate between an entrepreneur and a business person. **(4 Marks)**
12. Outline THREE advantages of a good business plan. **(3 Marks)**

SECTION B: (60 MARKS)

Answer Any Three Questions from This Section

13. a). In a social media group which you are an active member, there was a discussion about self-employment. As the group administrator, discuss FIVE importance of self-employment you would discuss.

(10 Marks)

b). The growth of entrepreneurship in Kenya has been facing several challenges. Discuss

FIVE challenges to entrepreneurial development in Kenya.

(10 Marks)

14. a). After college you were appointed as the legal officer at Dot Com Enterprise. Explain to the management FIVE legal aspects that are vital to the operations of the business. **(10 Marks)**

b). Your county has organized for an innovation trade fair and you have been requested to give a presentation on innovation. Discuss FIVE examples of innovation strategies that you would discuss.

(10 Marks)

15. a). A TVET institution is in the process of development of a training manual. You have been allocated the topic sources of business ideas. Explain FIVE sources that you would include in the manual.

(10 Marks)

b). A young graduate has a dream of starting an enterprise and has approached you to advice on business finance. Explain FIVE factors that should be considered when sourcing finances to start an enterprise.

(10 Marks)

16. a). Communication is always effective when it is carried out in accordance with principles of effective communication. Explain FIVE barriers to effective communication in a business. **(10 Marks)**

b). Explain FIVE roles of ICT in business growth and development.

(10 Marks)