



PAN AFRICA CHRISTIAN UNIVERSITY

END OF TERM EXAMINATION

DEPARTMENT: BUSINESS

COURSE CODE: BUE3213|DENT0214

COURSE TITLE: SMALL BUSINESS MANAGEMENT

CAMPUS: ROYSAMBU EVENING

EXAM DATE: FRIDAY 5th AUGUST 2016

TIME: 5.30PM-8.30PM

INSTRUCTIONS

- Read all questions carefully before attempting.
- Write your **student number** on the answer booklet provided.
- Answer Question **One** And Any Other **Four** Questions

QUESTION 1

(a) Discuss FIVE possible reasons for venturing into self-employment **(10 Marks)**

(b) Explain FIVE roles of small business enterprises in the Kenyan Economy.

(10 Marks)

(c) Explain FIVE benefits associated with innovation process.

(10 Marks)

(d) Identify FIVE of each of the following sources of employee recruitment

i). Internal

(5 Marks)

ii). External

(5 Marks)

QUESTION 2

a) Explain the growth stages of a small business enterprise.

(12 Marks)

b) Distinguish a sole-proprietorship from a partnership.

(3 Marks)

QUESTION 3

(a) Explain the steps involved in entrepreneurial creative process.

(10 Marks)

(b) Highlight Five characteristics of entrepreneurs

(5 Marks)

QUESTION 4

(a) An entrepreneur friend has approached you for advice on how to raise financing for a brilliant business opportunity. Advise him on FIVE sources from which he can raise finances for his business.

(10 Marks)

(b) Highlight FIVE advantages of Business Angels as a financing option

(5 Marks)

QUESTION 5

(a) Many small businesses are faced with the challenge of managing growth and improving productivity. As a small business management consultant explain five strategies small businesses can use to improve productivity.

(10 Marks)

(b) List FIVE advantages of customer relationship management as an effective tool for small business managers.

(5 Marks)

QUESTION 6

(a) Discuss FIVE challenges faced by Small businesses in Kenya today. **(10 Marks)**

(b) Clearly highlight FIVE benefits that an entrepreneur stands to gain from a well prepared business plan.

(5 Marks)