



PAN AFRICA CHRISTIAN UNIVERSITY
BACHELORS OF BUSINESS LEADERSHIP
END TERM EXAMINATION-ONLINE

DEPARTMENT: BUSINESS

COURSE CODE: BUE3213 SMALL BUSINESS MANAGEMENT& DEVELOPMENT

ANSWER FOUR QUESTIONS ONLY {10 MARKS EACH}

SECTION A

QUESTION ONE { COMPULSORY} {10 MARKS}

- a) Highlight **two** sources of a business idea for the small enterprise you intent to set up after your graduation **(2mks)**
- b) Discuss **four** different strategies you would apply to maintain your customers and make them loyal to your business **(4mks)**
- c) Your friend Rose has already settled on the type of business she wants to set up. The only thing she is not sure of is the best place to set up the business. She has come to you for advice on some factors which are likely to affect the selection of the location of her new business. Explain **three** of the factors to her **(4mks)**

SECTION B ANSWER THREE QUESTIONS ONLY {10 MARKS EACH}

QUESTION TWO 10 MARKS

- a) Outline **two** ways of identifying business opportunities **(2mks)**
- b) Briefly describe the following types of customers **(2mks)**
 - i. Discount Customers

ii. Loyal Customers (2mks)

c) You have been asked to prepare a presentation on **two** different internal sources of finance that you would consider for the implementation of your business idea. Explain your answer (4mks)

QUESTION THREE

10 MARKS

a) Describe **two** factors you would consider when setting the size of a promotional budget for your business (4mks)

b) Your cousin Rose started a small business but after one year of operation, her business began to fail. Explain **three** possible reasons for this state of affairs (6mks)

QUESTION FOUR

10 MARKS

a) Giving an example in each case, differentiate between direct and indirect costs (2mks)

b) Discuss **four** types of records you need to keep for accounting and tax purposes for your business (4mks)

c) When planning to come up with a business, you have to take advantage of the weaknesses of your competitor. Explain **two** of these possible weaknesses (4mks)

QUESTION FIVE

10 MARKS

a) Organizing and operating a business is not easy for many people. Outline **two** problems anyone planning to set up a small business is likely to face (2mks)

b) Develop smart objectives from the following goals;

i. Becoming and staying profitable (1mk)

ii. Planning for growth (1mk)

c) Citing relevant examples, describe **three** types of operational risks you are likely face in your small business (4mks)

QUESTION SIX

10 MARKS

a) Outline **two** elements of a business plan (2mks)

b) Describe **two** emerging trends in small business development today (4mks)

c) Explain **two** benefits of customer relationship management to your business (4mks)

