PAN AFRICA CHRISTIAN UNIVERSITY

END OF TRIMESTER EXAMINATION

DEPARTMENT: BUSINESS

COURSE CODE: BUE3113/BCM 201/BIT303/DBM0124

COURSE TITLE: INTRODUCTION TO ENTREPRENEURSHIP

EXAM DATE:

TIME: 3HRS

INSTRUCTIONS

- Read all questions carefully before attempting.
- Write your **student number** on the answer booklet provided.
- Answer FOUR questions **ONLY, Question one is compulsory**

SECTION ONE

QUESTION ONE(COMPULSORY)

CASE STUDY: THE RISE OF "AFRI-PURE NATURALS"

In 2018, Grace, a biotechnology graduate, noticed increasing demand for chemical-free skin-care products among urban professionals in Kenya. Using her university research background, she started producing natural soaps and shea-butter lotions in her parents' garage. She tested the products among family and friends, who responded positively.

As demand grew, Grace faced several challenges: limited startup capital, lack of reliable suppliers for raw materials, and difficulty in branding her products to stand out among competitors. Despite this, she used social media marketing, partnered with small beauty shops, and reinvested all the profits back into the business. By 2024, Afri-Pure Naturals had expanded to a small manufacturing unit, employed 12 workers, and distributed products in three major towns.

Grace is now considering scaling the business nationally but is unsure about the risks involved, market readiness, and how to innovate ahead of her competitors.

Required:

a) In reference to the case above explain whether Afri-Pure Naturals can be classified as an innovative enterprise or an entrepreneurial venture. *(4 marks)*

b) Identify and discuss **four entrepreneurial characteristics** displayed by Grace in the case. *(8 marks)*

c) Analyse **three key challenges** Grace faced during the early stages of her venture and propose how she effectively addressed them. *(9 marks)*

d) Discuss **any three factors** Grace should consider before scaling her business nationally. *(9 marks)*

SECTION TWO

QUESTION TWO

a) Discuss **any two** reasons why feasibility analysis is critical before starting a business. *(4 marks)*

b) Explain **any three components** of a feasibility analysis. *(6 marks)*

QUESTION THREE

Citing relevant examples, discuss the following sources of finances for entrepreneurial startups.

a) Debt financing (4marks)

b) Equity financing (6marks)

QUESTION FOUR

Explain the following business ideas generation techniques available to an entrepreneur

i. Surveys (2marks)

ii. Trade shows (2marks)

iii. Brainstorming (3marks)

iv. Focus groups (3marks)

QUESTION FIVE

A business plan is a written narrative that describes what a new business plans to accomplish and how it plans to accomplish it. Describe ten most important sections that a business plan should cover. (10 marks)