PAN AFRICA CHRISTIAN UNIVERSITY

END OF SEMESTER EXAMINATION FOR DIPLOMA IN ENTREPRENEURSHIP MANAGEMENT

JANUARY-APRIL 2017

CAMPUS: ROYSAMBU

DEPARTMENT: BUSINESS

COURSE CODE: DENT0133

COURSE TITLE: Business Plan for Enterprise Start-Up

EXAM DATE: TUESDAY 4th APRIL 2017

TIME: 9.00AM – 12.00PM

INSTRUCTIONS

- Read all questions carefully before attempting.
- Write your **student number** on the answer booklet provided.
- **Answer QUESTION ONE (40 Marks) and ANY OTHER FOUR questions (15 Marks each).**

QUESTION ONE

(a) Preparing and maintaining a business plan is important for any business regardless of its size or nature. Explain seven reasons why you need a business plan. **(14 Marks)**

(b) There are mainly three things that you should avoid in your business plan. Explain them.
. **(6 Marks)**

(c) How you price your product is important because it will have a direct effect on the success of your business. Explain five basic rules of pricing. **(10 Marks)**

(d) A product promotion strategy encompasses every marketing tool utilized in the communication effort. Describe five such tools. **(10 Marks)**

QUESTION TWO

(a) Briefly discuss five key elements that should be included the executive summary of a business plan. **(10 Marks)**

(b) Outline five important elements that should be included in the 'business description' of the business plan. **(5 Marks)**

QUESTION THREE.

(a) If you're using your business plan as a document for financial purposes, explain why the added equity or debt money is going to make your business more profitable. **(5 Marks)**

(b) (i) Define 'a competitive analysis of a business'. **(2 Marks)**

(ii) Explain four purposes that it serves. **(8 Marks)**

QUESTION FOUR.

(a) Assume you are in a business dealing in milk products. Explain the procedure you would follow to produce a recipe for yogurt. **(10 Marks)**

(b) Outline five common distribution channels you would use in your yogurt manufacturing business. **(5 Marks)**

QUESTION FIVE.

(a) Briefly outline seven costs that should be included in the product development budget.
. **(7 Marks)**

(b) Although every company will differ in its organizational structure, most can be divided into several broad areas. Discuss four such areas. **(8 Marks)**

QUESTION SIX.

(a) (i) Define 'overhead costs' **(2 Marks)**

(ii) Give four examples of such costs. **(4 Marks)**

(b) Discuss three common financial statements that an entrepreneur needs. **(9 Marks)**