



PAN AFRICA CHRISTIAN UNIVERSITY
END OF SEMESTER EXAMINATION FOR THE DEGREE OF
BACHELOR OF BUSINESS LEADERSHIP
BACHELOR OF COMMERCE
& DIPLOMA IN ENTREPRENEURSHIP MANAGEMENT
JANUARY-APRIL 2017

CAMPUS: ROYSAMBU

DEPARTMENT: BUSINESS

COURSE CODE: BUE3213 | CEN401 | DENT0214

COURSE TITLE: SMALL BUSINESS DEVELOPMENT

EXAM DATE: TUESDAY 4th APRIL 2017

TIME: 5.30PM – 8.30PM

INSTRUCTIONS

- This examination script consists of **six (6)** questions.
- Answer question **ONE** and **ANY other FOUR** Questions.
- Read all questions carefully before attempting.
- Write your student number on the answer booklet provided.

QUESTION ONE

- (a) Describe four elements constituting the meaning of small business. **(12 Marks)**
- (b) As a nascent entrepreneur, explain five weaknesses you are likely to have. **(15 Marks)**
- (c) Briefly discuss the role of 'idea and market' as key success factors in setting up a small business. **(5 Marks)**
- (d) If a cash flow plan shows that the business is likely to run out of cash at any one time, what four measures would you take as the entrepreneur to:
- i. Increase cash inflows. **(4 marks)**
 - ii. Decrease cash outflows. **(4 marks)**

QUESTION TWO

An examination of the records of ABC Flower Shop revealed the following information for the Month ending December 31st 2016.

• Cash sales.	60,000
• Credit sales	20,000
• Beginning inventory	18,000
• Purchases	50,000
• Ending inventory	8,000
• Salaries/wages	10,000
• Electricity	1,500
• Advertising	700
• Other expenses	800
• Estimated tax	2,000

- (a) Prepare a Profit and Loss Statement for the month ending 31st December 2016. **(10 Marks)**
- (b) Calculate the net profit after tax if you increase total sales by 5%. **(5 Marks)**

QUESTION THREE

Briefly discuss five types of organizations structures.

(15 marks)

QUESTION FOUR

- (a) Giving suitable examples, distinguish between policies and procedures. **(6 Marks)**
- (b) Juma is an entrepreneur who is looking for a suitable location for a supermarket business. Advise him on three important factors to consider when selecting a business location. **(9 Marks)**

QUESTION FIVE

- (a) Explain the employee orientation process. **(5 Marks)**
- (b) Some business owners are reluctant to delegate some responsibilities to their employees. Explain:
- (i) Three reasons why this is the case. **(6 Marks)**
 - (ii) Two reasons why they should. **(4 Marks)**

QUESTION SIX

Identify four stages of a product life cycle and discuss the marketing strategy and the marketing mix associated with each stage. **(15 Marks)**