



(University of Choice)

**MASINDE MULIRO UNIVERSITY OF SCIENCE AND
TECHNOLOGY**

(MMUST)

MAIN CAMPUS

UNIVERSITY EXAMINATIONS 2021/2022 ACADEMIC YEAR

EXAMINATIONS FOR THE MASTERS OF

BUSINESS ADMINISTRATION

COURSE CODE: MBA 891

**COURSE TITLE: ENTREPRENEURSHIP AND SMALL BUSINESS
MANAGEMENT**

DATE: TUESDAY, 26TH AUGUST 2022 TIME: 2:00 -5:00PM

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS

TIME: 2 Hours 30 minutes

MMUST observes ZERO tolerance to examination cheating

QUESTION ONE

Read the report below and answer the questions which follow

The concept of entrepreneurship is not new to Kenya. At a superficial level, it seems to be as old as the Gupta and Chola dynasties, which traded spices with the rest of the world, followed by the Mughals and Britishers. But during all these areas, entrepreneurship was more about the creation and accumulation of wealth in the hands of a few. The essence of entrepreneurship is the creation of wealth. Yes, not mere accumulation, but rather distribution of wealth. And when it comes to the distribution of wealth none of the dynasties and the rulers of the past pass the qualification. In this context, it is only the entrepreneurs of the post-liberalization era who fit the bill. Entrepreneurs of the recent era not only work for their own growth but also for the growth of all those who are associated with them. Narayana Murthy, of the Infosys is good example of this. Narayana Murthy not only created wealth (the Infosys) but also distributed the fortune of Infosys to all its members by introducing ESOP (Employee Stock Option Plan) through which he made all his employees as partners in growth and development. He recently retired from the post of CEO after attaining the age of 60 and made way for the younger generation. Hence the essence of entrepreneurship is not the creation and accumulation of wealth but distribution of wealth amongst all those who are associated with the business.

Source : Lall. Madhurima, Sahai. Shikha(2008), "Entrepreneurship , " Excel Books Pvt.Ltd.

Required

- a) With reference to the report above bring out the importance of entrepreneurship to the Kenyan economy. (10mks)
- b) Narayana Murthy is a role model entrepreneur. From the report provided, explain five entrepreneurial attributes of Narayana as an entrepreneur. (10mks)
- c) Assuming Narayana is a Kenyan entrepreneur. How would he positively contribute to the Kenyan ailing economy? (10mks)
- d) Narayana graduated with an MBA in entrepreneurship from MMUST in 2020 and opted to settle for self-employment. What would be the motivating factors influencing Narayana's decision? (10mks)

QUESTION TWO

- a) With supporting examples, discuss any key models of entrepreneurship relevant in Kenya. (10mks)
- b) Clearly elaborates the main challenges Kenyan entrepreneurs encounter using relevant examples. (10mks)

QUESTION THREE

- a) Entrepreneurship and Intrapreneurship are sometimes used synonymously yet they do not mean the same thing.
Explain the similarities and economic differences between the two terms. (10mks)
- b) There are a multitude of legal issues to think about when it comes to starting your business. Point out any four of such legal issues. (10mks)

QUESTION FOUR

- a) The problems experienced by women entrepreneurs have resulted in restricting the expansion of women's entrepreneurship across the world.
Discuss five main barriers encountered by women entrepreneurs in Kenya. (10mks)
- b) Bring out practical suggestions for improvement in the status of women entrepreneurs in Kenya. (10mks).

QUESTION FIVE

- a) Starting a new small enterprise determines its level of success. Identify seven key steps that need observation while starting a small enterprise. (10mks).
- b) Discuss the basic components of an income statement for a small business. (10mks)

