



(University of Choice)

**MASINDE MULIRO UNIVERSITY OF SCIENCE AND  
TECHNOLOGY  
(MMUST)  
MAIN CAMPUSES**

**UNIVERSITY EXAMINATIONS  
2021/2022 ACADEMIC YEAR**

**THIRD YEAR FIRST SEMESTER EXAMINATIONS**

**SPECIAL/ SUPPLEMENTARY EXAMINATIONS**

**FOR THE DEGREE OF BACHELOR OF COMMERCE**

**COURSE CODE:     BCB 360**

**COURSE TITLE:    BUSINESS PLANNING**

**DATE: THURSDAY, 4<sup>TH</sup> AUGUST 2022 TIME: 2:00 – 4:00PM**

**INSTRUCTIONS TO CANDIDATES**

1. The Paper Contains TWO Sections: Sections A and B
2. Answer **ALL** Questions in Section A and Any **TWO** Questions in Section B in the Answer Booklet Provided
3. Diagrams and Graphs should be clearly illustrated.

**TIME:     2 HOURS**

MMUST observes ZERO tolerance to examination cheating

This Paper Consists of 3 Printed Pages. Please Turn Over ►

**SECTION A: COMPULSORY (30 MARKS)**

*(Answer ALL Questions from this Section)*

**QUESTION ONE: CASE**

Read the following case and then answer the questions below:

**THE PRESENTATION**

Dick Bardow sat quietly in his car, pondering why he had failed to convince Pat Guinn, managing partner of Next Century Venture Capital, to provide the start-up capital he needed to launch the business that would present his new high tech medical invention. Bardow had spent the past three and a half years, researching, and developing the concept, and now that he had a product in hand, he was ready to take it to the market. The idea for Bardow's new venture had been simmering for many years during his stints as a researcher for a major medical lab as a technical advisor for a medical products company. Bardow had learned a great deal about use of the end product in his technical job, which he took after earning a Master's degree in Biomedical Engineering. But it was during his tenure at the medical lab that Bardow saw the importance of staying on the cutting edge of the technology in the field of medicine. He also saw the tremendous profit potential of successful medical products.

Driving home, Bardow replayed his meeting with Guinn in his mind. "How could those venture capitalists have missed the tremendous opportunity right front of them?" he mused. During his 45-minute meeting with Guinn and her staff, Bardow had spent 30 minutes explaining how the technology had evolved over time, how he had developed the product, and why it was technologically superior to everything currently on the market. "I have got them where I want them, now" he remembers thinking. "They cannot help but see the incredible power of this technology." Throughout his corporate career, Bardow had earned a reputation for his ability to explain abstract ideas and highly technical concepts to his fellow Scientists. Over the years, he had more dozens of presentations at scientific professional meetings, all of which were well received.

Bardow had to admit, however, that he was puzzled by all of the questions Guinn had asked him toward the end of their meeting. They were not at all what he was expecting! "She never asked a single question about my product, its design, the technology behind it, or the patent I have pending," he muttered. He remembered her questioning him about a "market analysis" and how and to whom he planned to market his product. "How foolish! he thought. "You cannot forecast exact sales for a new product. Once this product is on the market and the medical industry sees what it can do, we will have all the sales we will need and more." Bardow was convinced that Guinn simply did not understand that new, innovative products create their own markets. "I have seen it dozens of times," he said. Dick was beginning to believe that venture capital firms were too focused on revenues, profits and return on investment. Do not they know that those things are outcomes?" he thought. "They come...in time."

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(Adapted from Scarborough, N. M. (2012). *Essentials of Entrepreneurship and Small Business Management*. Boston, USA: Pearson Publishers)

**QUESTIONS**

- a) Identify the possible problems with Dick Bardow's presentation of his business plan to Pat Guinn and other venture capitalist? (10 marks)
- b) The case alludes that Dick Bardow had spent the past three and half years researching and developing the concept, and now that he had a product in hand, he was ready to take it to the market. Explain the steps involved in conducting market research? (10 marks)
- c) List suggestions you would make to Dick Bardow to improve his business plan and his presentation of it. (10 marks)

**SECTION B (40 MARKS)**

*(Answer Any TWO Questions from this Section)*

**QUESTION TWO**

- a) Describe the legal forms of business organizations that an entrepreneur should consider in the organizational plan of the business plan (10 marks)
- b) Business organization is an important aspect in the business. Using the key components of management show how an entrepreneur can apply them to ensure proper organization within the business (10 marks)

**QUESTION THREE**

When financing the business, a financial institution would want to see key issues addressed by business plan. Elucidate these key issues to be addressed by business plan? (20 marks)

**QUESTION FOUR**

- a) The relevance of a feasibility study of the manufacturing operations depends on the nature of the business. Discuss the areas an entrepreneur will need this information when writing a business plan? (12 marks)
- b) Elevator speech commonly known as pitching of a business idea is crucial in business planning. Outline the steps involved in the elevator speech. (08 marks)

**QUESTION FIVE**

“To fail to plan is to plan to fail” is a quotation often used when talking about organization activities. Considering this assertion, explain the tips for developing a success business plan. (20 marks)

