



University of Choice

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

**UNIVERSITY EXAMINATIONS
2021/2022 ACADEMIC YEAR**

**THIRD YEAR TRIMESTER SEMESTER MAIN EXAMINATIONS
FOR THE DEGREE
OF
BACHELORS OF MECHANICAL ENGINEERING**

COURSE CODE: BTB 404

COURSE TITLE: ENTREPRENEURSHIP FOR ENGINEERS

DATE: FRIDAY, 29TH JULY 2022

TIME: 11:00-1:00PM

INSTRUCTIONS TO CANDIDATES

Question ONE (1) is compulsory
Answer other TWO questions
Do not write anything on the question paper

MMUST observes ZERO tolerance to examination cheating

QUESTION ONE (COMPULSORY) 30 MARKS

Ralph Emerson thought he had been a librarian long enough and when the opportunity arose to open a small Tobacco, Pipe and Cigar shop in the newly renovated downtown business district, he was ready to act. Pipe Dream is a franchiser of smoke shops, and was founded eight years ago by a noted tobacconist in New York City. The concept for the shops is simple yet sophisticated. It is simple in the sense that the shops only sell tobacco related products but sophisticated in the breadth and quality of the inventory they carry. Each franchise depending with size is stocked with inventory selected by the company's founder. The franchiser finances the shops initial inventory. The franchisee is expected to create a décor within predetermined standards that Pipe Dreams establish. Each franchisee must attend a three day workshop, outlining the fundamentals of tobacco blending, the merchandising of tobacco and cigars and the techniques of successful business operations.

The franchise contract requires the franchisee to contribute 1.5% of gross revenue to national advertising campaign. According to the contract, Pipe Dreams will finance the required fixtures for the store for ten years. In addition, the franchiser supplies all inventory at very favorable prices because it purchases in large quantities.

Ralph knows he can buy tobacco products from a variety of wholesalers. He also has some ideas on what would make a tobacco shop successful in this town. Ralph knows that Pipe Dreams franchisees have had a high successful rate in the past.

Source: Scarborough, N (2011). Essentials of entrepreneurship and small business management. (6th Ed.) Upper saddle river, NJ: Pearson Education Limited

- a. In line with the above extract, elucidate on the drivers of entrepreneurial growth that would propel Ralph to engage in entrepreneurial activities. (10mks)
- b. Discuss the attributes displayed by Ralph that distinguishes him as an entrepreneur (10mks)
- c. Apart from contributing revenue to the national advertising campaign, what other roles could Pipe Dream Company play? (10mks)

QUESTION: TWO (20MARKS)

- a. In starting of a business, it requires that certain steps have to be followed in order to realize the establishment of a successful enterprise. Discuss. (14mks)
- b. Entrepreneurship has been faced by various myths and realities. Discuss (6mks)

QUESTION: THREE (20MARKS)

- a. What are the distinguishing characteristics between a public limited company and a private limited company. (10mks)

- b. A company is a legal entity that has the status of an “**artificial person**”. It therefore has most of the rights and obligations of a human being. Elucidate (10mks)

QUESTION: FOUR (20MARKS)

- a. In starting of a business, an entrepreneur has to explore the various sources of business ideas to establish its viability. Expound on this (8mks).
- b. Discuss the various factors that influence entrepreneurship practices. (12mks)

QUESTION: FIVE (20MKS)

- a. Apart from Friends and family as a source of financing, discuss other options that he could have explored to grow his business. (10mks)
- b. A business plan is a prerequisite towards the access of business financing, advice Omari on the contents it should have when he considers to prepare one. (10mks)

