



(University of Choice)

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

**UNIVERSITY EXAMINATIONS
2021/2022 ACADEMIC YEAR**

**THIRD YEAR FIRST SEMESTER EXAMINATIONS
SPECIAL/ SUPPLEMENTARY EXAMINATION**

FOR THE DEGREE OF BACHELOR OF COMMERCE

COURSE CODE: BCB 347

COURSE TITLE: CORPORATE ENTREPRENEURSHIP

DATE: WEDNESDAY, 3RD 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:

GENERAL ELECTRIC COMPANY – ORGANIZING AND SUSTAINING CORPORATE ENTREPRENEURSHIP (CE)

Perhaps no other organization has a history of sustained CE than does GE, many of whose innovations we take for granted today. The carbon filament incandescent light bulb (1879), the first practical x-ray technology (1920), the first commercial home television programming (1928), the first successful jet aircraft (1942), providing the basic technology for fibre optic communications (1981), magnetic-resonance guided therapy technology (1993) for medical diagnosis, leading edge technologies of today such as breakthroughs on holographic data storage that can allow up to 40 high definition movies to be stored on a single DVD (2007), are some of the many examples of GE's proven track record of innovation and CE.

GE's commitment to CE can be measured by the resources deployed to innovation: a \$5 Billion annual budget for research with 2,800 employees, 1,000 of whom hold PhDs, resulting in 2,537 US patents through 2008 (General Electric Company [GE], 2009). But how does a large and complex organization like GE foster the climate and culture, and manage and govern the creative activity needed to sustain CE?

The approach deployed by GE to manage CE is largely based upon its evolving organizational design and strategic processes (Ocasio & Joseph, 2005). Through the leadership of a series of chief executive officers from 1951 to 2000 (Cordiner, Borsch, Jones, and Welch), GE has established the Strategic Business Unit (SBU), supported by reporting and training, as fundamental organizational concept for CE.

First implemented by Fred J. Borsch, this concept establishes relatively autonomous organizations that are free from most of the GE bureaucracy to pursue CE. Often, these SBUs report directly to the chief executive office to ensure visibility and attention. Examples of this approach can be found in the success of GE's commercial aircraft engine business, confirmed from personal observations and experience of this author. Other examples include the industrial diamond and the plastics businesses, the later providing the autonomy and freedom to innovate CEO Jack Welch attributes to his own personal success (Slater, 1999). While SBUs remained somewhat free from GE bureaucracy, they do not lack planning, strategic analysis, and oversight.

A combination of strategic planning and analysis using the GE/McKinsey competitive strength and market competitiveness matrix (Ghemawat, 2002), coupled formally (under Jones), and later loosely (under Welch) with strategic reviews by the chief executive office provide a process of governance and oversight that still allowed the creativity and flexibility needed for CE to flourish. The author's personal experiences with GE's commercial aircraft engine venture provide first-hand experiences that support this contention.

(Adapted from 2010 EABR & ETLC Conference Proceedings by Zimmermann J.)

QUESTIONS

- a) Using the case, discuss how General Electric Company has had the history of sustained corporate entrepreneurship (05 marks)
- b) Describe how commitment to corporate entrepreneurship can be measured in General Electric Company (10 marks)
- c) Discuss the challenges General Electric Company will face in practicing corporate entrepreneurship (05 marks)
- d) Describe the concept strategic business unit (SBU) as used in the case (10 marks)

SECTION B (40 MARKS)

(Answer Any TWO Questions from this Section)

QUESTION TWO

It has been said that government organizations possess unique characteristics that distinguish them from other work environments. With suitable examples, discuss these characteristics in the context of creating challenges to entrepreneurship (20 marks)

QUESTION THREE

- a) Explain the key issues in the movement toward an entrepreneurial culture as shown in the chain of greatness model (10 marks)
- b) Discuss the specific barriers which inhibit the level of corporate entrepreneurship within organizations (10 marks)

QUESTION FOUR

Identifying a firm, you are familiar with its operations, explain its position on the entrepreneurial grid in relation to the key elements of entrepreneurial intensity (20 marks)

QUESTION FIVE

- a) It has been opined that competitive advantage creates key capabilities within a firm. In view of this assertion, describe the key capabilities that enable a firm to have competitive advantage (10 marks)
- b) With reference to the key stages of firm development, discuss with examples why firms' loss their entrepreneurial way (10 marks)

