



(University of Choice)

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

(MAIN CAMPUS)

**UNIVERSITY EXAMINATIONS
2019/2020 ACADEMIC YEAR**

THIRD YEAR SECOND TRIMESTER EXAMINATIONS

**FOR THE DIPLOMA
OF
MEDICAL LABORATORY SCIENCES
(DIRECT ENTRY)**

COURSE CODE: BMD 325

COURSE TITLE: ENTREPRENEURIAL SKILLS

DATE: 9TH DECEMBER 2020 TIME: 8.00 -10.00 AM

INSTRUCTIONS:

ANSWER ALL QUESTIONS

TIME: 2 Hours

MMUST observes ZERO tolerance to examination
cheating

This Paper Consists of 4 Printed Pages. Please Turn Over

SECTION A: MULTIPLE CHOICE QUESTIONS (20 MARKS)

1. The father of entrepreneurship is
 - a) Joseph schumter
 - b) Micheal Davidson
 - c) Victor Valoski
 - d) Yuan Patsary
2. SWOT
 - a) Satisfaction, Withstanding, Outlook, Transfer
 - b) Service, Worth, Official, Treat
 - c) Security, Wisdom, Objective, Track
 - d) Strength, Weakness, Opportunities, Threats
3. The proper definition of a market is
 - a) A group of sellers
 - b) A place for selling produce and products
 - c) A group of buyers
 - d) A group of producers
4. What is financial leverage
 - a) Financing with equity
 - b) Financing with debt
 - c) Rights issue
 - d) Selling shares
5. An angel investor provides
 - a) Seed capital
 - b) Equity funding
 - c) Bank financing
 - d) Personal loan
6. The following are types of entrepreneurs except
 - a) Portfolio entrepreneur
 - b) Novice
 - c) Experienced
 - d) 2nd generation entrepreneurs
7. In the elements of innovation, analytical planning entails the following except
 - a) Product and financial needs
 - b) Market strategy
 - c) Human resource
 - d) Identifying market design
8. Changes in government policy, natural calamities, new taxes, market closure and unfavourable market opinions are all external factors of
 - a) Threats
 - b) Services
 - c) Calamities
 - d) Risks
9. Variable costs
 - a) Remain constant
 - b) Depend on the cost of raw materials

- c) Change at the production level
 - d) Increase at inception
10. Fixed costs
- a) Vary with time
 - b) Remain constant
 - c) Do not affect production
 - d) Decrease with time
11. What tool does the venture capitalist use to gauge risks and forecast future growth
- a) Business plan
 - b) Profit and loss statement
 - c) Balance sheet
 - d) Bank statement
12. Industry
- a) A group of wholesalers
 - b) A group of distributors
 - c) A group of factories
 - d) A group of producers
13. Marketing channels include all of the following except
- a) Stockist
 - b) Retailer
 - c) Whole seller
 - d) Producer
14. Which of the following does not constitute attitudes attributable to an entrepreneur?
- a) Creative
 - b) Deals with failure
 - c) Ready to make enemies
 - d) Willing to learn
15. A novice
- a) A first time entrepreneur
 - b) A seasoned entrepreneur
 - c) An experienced entrepreneur
 - d) Takes over run-down establishments
16. Imagination, energetic, patience, flexible are _____ of an entrepreneur
- a) Attitudes
 - b) Personalities
 - c) Characteristics
 - d) Skills
17. The following is not part of the creative process in entrepreneurship
- a) Illumination
 - b) Preparation
 - c) Activation
 - d) Incubation
18. When a business idea surpasses an idealistic situation, this is termed
- a) Idea generation
 - b) Innovation
 - c) Verification
 - d) Illumination
19. "Today's successful companies live and die according to the quality of their ideas"
- a) Bill Gates
 - b) Warren Buffett
 - c) Chris Kirubi
 - d) Calistus Khole
20. Below are sources of entrepreneurial financing. Which one is not.

- a) Franchising
- b) Family
- c) Self generation
- d) Debt financing

SECTION B: SHORT ANSWER QUESTIONS [40 MARKS]

1. **SWOT** analysis is an integral aspect when scouting for a business opportunity. Elaborate **(6 marks)**
2. (a) Explain break-even analysis **(2 marks)**
(b) Leomark international trades in candles that retail at 10/=.
The cost of raw materials and consumables sum upto 6/=.
Over-heads (rent, equipment rental) total upto 5,000/=
-What is the minimum number of candles to be sold so as to start making a profit? **(4 marks)**
3. (a) What is a business plan **(2 marks)**
(b) Explain the contents of a business plan **(4 marks)**
(c) What are the uses of a business plan **(4 marks)**
4. Discuss the entrepreneurial process guided by the following.
(a) Creativity **(5 marks)**
(b) Innovation **(5 marks)**
5. State the advantages and disadvantages of being a 1st mover in business as opposed to an on-going business concern **(4 marks)**
6. Which are some of the ways in which government of Kenya has promoted entrepreneurship **(4 marks)**

SECTION C: LONG ANSWER QUESTIONS [40 MARKS].

Answer all questions

1. Industries use Porters five (5) forces model to determine attractiveness and long term industry profitability. Discuss **(20 marks)**
2. Entrepreneurship is a process of recognizing an opportunity and taking risks. With reference to this statement, discuss the process of entrepreneurship, emphasizing its critical elements and challenges **(20 marks)**