



(University of Choice)

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

MAIN CAMPUS

**UNIVERSITY EXAMINATIONS
2023/2024 ACADEMIC YEAR**

FOURTH YEAR FIRST SEMESTER EXAMINATIONS

**FOR THE DEGREE
OF
BACHELOR OF SCIENCE IN ELECTRICAL AND
COMMUNICATION ENGINEERING**

COURSE CODE: ECC 503/ ECE 418

COURSE TITLE: ENTREPRENEURSHIP FOR ENGINEERS

DATE: TUESDAY 19/12/2023 TIME: 12: 00 PM–2:00 PM

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS.
QUESTION ONE CARRIES 30 MARKS AND ALL OTHERS 20 MARKS EACH.

TIME: 2 Hours

MMUST observes ZERO tolerance to examination cheating

This Paper Consists of 4 Printed Pages. Please Turn Over. 

QUESTION 1 (30 marks)

1. A country's economic environment exercises the most direct and immediate influence on entrepreneurship and entrepreneurial activities. Explain three economic factors that affect the growth and success of entrepreneurship. (6 marks)
2. Considering morals in commercial ventures is to the benefit of the organization since it is believed in certain quarters that "good ethics is good business." Explain four social and cultural factors that shape people's basic beliefs, values and norms in entrepreneurship (8 Marks)
3. The basic function of a stock exchange is the raising of funds for investment in long-term assets. List five other functions of the stock exchange. (5 Marks)
4. Provide three distinctions between an entrepreneur and a manager (6 Marks)
5. Explain five disadvantages of starting your own small or medium business (5 marks)

QUESTION 2 (20 marks)

1. Provide four advantages of investing in shares listed in the stock exchange (4 Marks)
2. For the success of new entrepreneurial venture, an entrepreneur has to perform certain critical functions. Outline the main functions of an entrepreneur (5 Marks)
3. A large number of entrepreneurs particularly in the small enterprises fail due to several problems and barriers. Provide five barriers to successful entrepreneurship (5 Marks)
4. The Sessional Paper No. 2 of 1999 enumerates several factors as standing in the way of development of the small enterprise and Jua Kali sector. List three of these factors (6 Marks)

QUESTION 3 (20 marks)

1. Share prices in the stock exchange are influenced by a very wide range of factors. Provide at least five factors that may dictate the change in share prices (5 marks)
2. Y.A. Say describes entrepreneurship as a necessary dynamic force for economic development. Outline five important roles that an entrepreneurship plays in the economic development of an economy. (5 Marks)
3. In a family business major policy-making decisions and significant proportion of the jobs are held by the members of the extended family. Explain three advantages of family firms. (6 Marks)
4. Provide four advantages of buying an existing business (4 marks)

QUESTION 4 (20 marks)

1. Despite the fundamental role SME's play in the Kenyan economy, these enterprises are not able to operate to their optimum level due to the challenges they face. Explain at least three of these challenges. (6 Marks)

2. Describe four aspects that necessitate the valuation of securities and shares in a company (5 Marks)
3. Explain five advantages of equity financing (5 Marks)
4. Describe at least two qualitative characteristics of financial statements (4 Marks)

QUESTION 5 (20 marks)

1. In creating jobs, producing goods and services and contributing to community's tax base and creating wealth, outline three elements associated with the concept of an entrepreneur (6 marks)
2. Outline two disadvantages of using Debt Financing as a way of raising investment capital for a new business. (4 marks)
3. A company's financial analysis is important to various parties with a financial stake in the company. Identify three of these parties and explain why the analysis are useful to them. (6 Marks)
4. Explain four disadvantages of buying a franchise (4 marks)

