



# The Co-operative University of Kenya

## SUPPLEMENTARY / SPECIAL EXAMINATION AUGUST- 2019 EXAMINATION FOR THE DIPLOMA IN ENTREPRENEURSHIP

UNIT CODE: DMDE 1105

UNIT TITLE: BUSINESS START UP

DATE: 29<sup>TH</sup> AUGUST, 2019

TIME: 11:30 AM – 1:30 PM

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### INSTRUCTIONS:

- Answer question **ONE (compulsory)** and any other **TWO** questions

### QUESTION ONE

- a) Differentiate between:-
- An Angel investor
  - Venture capitalists (4 marks)
- b) Describe the various ways in which the government is encouraging the growth of small and medium enterprises in the country. (12 marks)
- c) Identify **THREE** forms of business organizations that can be used by an entrepreneur. (14 marks)

### QUESTION TWO

- a) Despite its importance entrepreneurship is often faced by a myriad of challenges. Indicate the major challenges encountered in entrepreneurship highlighting possible solution to each challenge. (8marks)
- b) Explain factors that determine the viability of a business idea. (7marks)
- c) Explain why it's important to have a business plan while operating or starting up a business. (5marks)

### QUESTION THREE

- a) Discuss at least six major challenges facing small businesses in Kenya today. (12 marks)
- b) Elaborate at least **FOUR** various sources of funds that entrepreneurs can use to fund their enterprises. (8marks)

### QUESTION FOUR

- a) Enterprises more likely to survive take up Franchise rather than start from scratch. Discuss (10marks)
- b) Differentiate between internal and external sources of finance that a new venture can use to fund their business. (6 marks)
- a) Briefly discuss **TWO** problems encountered by Business Start-ups in their endeavour to raise finance (4marks)

### QUESTION FIVE

- a) Explain the several ways that an entrepreneur can use gaps in the market to identify business opportunities (12 marks)
- b) Describe in details the process of starting a small business (8 marks)

