

QUESTION ONE

Read the Case Study below carefully and, answer the questions that follow:

COMMUNICATION IN ENTREPRENEURSHIP

Entrepreneurs must practice effective communication both within their firm and with external partners and investors to launch and grow their ventures and enable them survive. An entrepreneur needs a communication system that links the staff of her firm and connects the firm to outside firms and clients. Entrepreneurs should be charismatic leaders, so they can communicate a vision effectively to their team and help to create a strong team. Communicating a vision to followers may be the most important act of the transformational leader. Compelling visions provide employees with a sense of purpose and encourage commitment. According to Baum et al. and Kouzes and Posner, the vision must be communicated through written statements and through in-person communication. Entrepreneurial leaders must speak and listen to articulate their vision to others.

Communication is pivotal in the role of entrepreneurship because it enables leaders to convince potential investors, partners and employees about the feasibility of a venture. Entrepreneurs need to communicate effectively to shareholders. Nonverbal elements in speech such as the tone of voice, the look in the sender's eyes, body language, hand gestures and state of emotions are also important communication tools. The Communication Accommodation Theory posits that throughout communication people will attempt to accommodate or adjust their method of speaking to others. Face Negotiation Theory describes how people from different cultures manage conflict negotiation to maintain "face". Hugh Rank's "intensify and downplay" communications. Model can be used by entrepreneurs who are developing a new product or service. Rank argues that entrepreneurs need to be able to intensify

the advantages of their new product or service and downplay the disadvantages to persuade others to support their venture.

Required:

- A. With an aid of a well labelled diagram, illustrate the communication Process (9 Marks)
- B. Discuss any four functions that entrepreneurs need to communicate in the course of their enterprise management (8 marks)
- C. Suggest any four network relations available to an entrepreneur (8 marks)

QUESTION TWO

- A. Outline the need for innovation in an MSME (8 marks)
- B. Research has shown that most small enterprises close up within two years after starting due to various reasons. Suggest any five strategies that entrepreneurs should implement to avoid such early business failures (7 marks)

QUESTION THREE

- A. Suggest reasons for the "MISSING MIDDLE CONCEPT" in Kenya (5 marks)
- B. Discuss any five external factors that affect operations of a small enterprise (10 marks)

QUESTION FOUR

- A. Explain what motivates an entrepreneur to start own enterprise (6marks)
- A. Outline the benefits of small enterprises to a country (9 marks)

QUESTION FIVE

- A. Suggest any six licenses that an entrepreneur should have before starting a road construction company (6 marks)
- B. Ecocos ltd is a new company formed to enhance entrepreneurship in one of the counties in Kenya. Enumerate the entrepreneurship development model that ecocos should adopt (9 marks)

QUESTION SIX

- A. Discuss any five characteristics of a viable business opportunity (5 marks)
- B. Enumerate five ways that the current government of Kenya has enhanced internationalization of its MSMEs since it was elected in office (10 minutes)