

The  
Management  
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**UNDERGRADUATE UNIVERSITY EXAMINATIONS**  
**SCHOOL OF MANAGEMENT AND LEADERSHIP**  
**DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP/**  
**BACHELOR OF COMMERCE**

**BCM 312/BML 204:            **ENTREPRENEURSHIP****

**DATE:                            30<sup>TH</sup> NOVEMBER 2020**

**DURATION:    2 HOURS**

**MAXIMUM MARKS: 70**

**INSTRUCTIONS:**

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided.**

## QUESTION ONE

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

### THE GLOBAL PANDEMIC

The growing threat of the coronavirus (COVID-19) has created a serious risk to supply chains, as manufacturers and retailers face the possibility that suppliers will halt production, and they won't be able to replenish run-down stockpiles. According to Logistics Manager's Index Report for February, both transportation prices and inventory levels are taking a negative turn, and this downward pattern is expected to continue throughout the second quarter of 2020. Many companies are diversifying sources from which they procure finished products to be less dependent on Chinese production, this is a slow process as it takes time to rework logistics and transportation routes, and build alternative fulfillment capabilities to accommodate the changes. Additionally, businesses have to anticipate new movement restrictions. When the pandemic ends, the problem is expected to persist for a long time. A return to normalcy would still see a surge of container movements, creating a requirement for additional de-stuffing capacity. With international transport at the forefront of trade and dependent on travel and human interaction, the shipping industry has been impacted both directly and indirectly from the outbreak of COVID-19. Operations of shipping companies and related industries, including terminals, ports, etc., have been affected due to personnel having been advised to refrain from traveling or reporting to work. Lower demand for commodities and raw material, and thus need for shipment, has pushed freight rates lower. Several shipping companies have started warning about reduced earnings visibility and weak future earnings results. Cruise, travel, and related industries, i.e. conferences, etc., have also suffered, and it's noteworthy that North America's largest container line conference, Trans-Pacific Maritime TPM2020, was cancelled literally on the eve of its opening. There have been headlines about cruise ships not allowed to port and placed under quarantine for weeks. Commodity vessels, such as dry bulk and tanker vessels, have seen lower demand and lower freight rates. There have been reports that Very Large

Containership Vessels (VLCVs) are leaving Chinese ports filled to just 10 percent of their capacity.

With lower demand, crude oil prices have collapsed, which will further exacerbate the bad state of the offshore drilling industry. The shipbuilding and ship repair segments have collapsed as people do not want to travel to China and South Korea; shipping finance and ship brokerage have also been affected as they involve travel and also require some momentum and enthusiasm, which presently are in low supply.

**Required:**

- A. Enumerate any five areas of the economy discussed in the case and highlight how each has been affected by the pandemic **(10 marks)**
- B. Suggest any five business opportunities which arise from the epidemic **(10 marks)**
- C. Discuss the importance of innovations to an entrepreneurial firm who find himself in this situation of pandemic **(5 marks)**

**QUESTION TWO**

- A. Before deciding on the business to start and its location; entrepreneurs have to assess external factors that are likely to affect their business. Explain any five of these factors **10 marks**
- B. Discuss the key terms in the definition of entrepreneurship **(5 marks)**

**QUESTION THREE**

- A. Explain why business growth is important to an entrepreneur **(10 Marks)**
- B. Enumerate reasons why government should be involved in diversity of entrepreneurship **(5 marks)**

**QUESTION FOUR**

- A. Discuss any four costs of production to an entrepreneur **(8 marks)**

- B. Explain any seven licenses needed by a fish monger who process fish in Kisumu and sells in Nakuru **(7 marks)**

**QUESTION FIVE**

- A. Communication is very important while dealing with employees of a small business. However, if not appropriately done, communication can also lead to business failure. Discuss five incidences when communication problem can result to a business failure **(10 marks)**
- B. Enumerate what the Kenya government has done in the last decade to enable entrepreneurs assist the country achieve sustainable development goals (SDG) **(10marks)**

**QUESTION SIX**

- A. Jackaini has just won KES 1,500,000/= from sport pesa. Discuss any four methods of starting a chemist that he has been longing to own **(8 marks)**
- B. Enumerate the 7 ps of marketing (class eight tuition program) by teacher Judy who has been discontinued from teaching in a private school due to COVID 19 pandemic **(7 marks)**