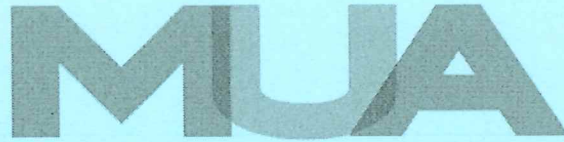


The  
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**UNDERGRADUATE UNIVERSITY EXAMINATIONS**

**SCHOOL OF MANAGEMENT AND LEADERSHIP**

**DEGREE OF BACHELOR OF ARTS IN DEVELOPMENT STUDIES/**

**BACHELOR OF MANAGEMENT AND LEADERSHIP/ BACHELOR**

**OF COMMERCE/OF BACHELOR OF EDUCATION ARTS**

**BML 204/BCM 312/BDS 214/ ENT 401: ENTREPRENEURSHIP**

**DATE:**

**11<sup>TH</sup> DECEMBER 2024**

**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:

**INNOVATION DEFINED**

Innovation is the practical implementation of ideas that result in the introduction of new goods or services or improvement in offering goods or services. In the standard ISO 56000:2020, innovation is defined as "a new or changed entity, realizing or redistributing value". Others have different definitions; a common element in the definitions is a focus on newness, improvement, and spread of ideas or technologies.

Innovation often takes place through the development of more-effective products, processes, services, technologies, art works or business models that innovators make available to markets, governments and society.

Innovation is related to, but not the same as, invention: innovation is more apt to involve the practical implementation of an invention (i.e. new / improved ability) to make a meaningful impact in a market or society, and not all innovations require a new invention.

Technical innovation often manifests itself via the engineering process when the problem being solved is of a technical or scientific nature. The opposite of innovation is exnovation. Surveys of the literature on innovation have found a variety of definitions. In 2009, Baregheh et al. found around 60 definitions in different scientific papers, while a 2014 survey found over 40. Based on their survey, Baragheh et al. attempted to formulate a multidisciplinary definition and arrived at the following:

"Innovation is the multi-stage process whereby organizations transform ideas into new/improved products, service or processes, in order to advance, compete and differentiate themselves successfully in their marketplace"

In a study of how the software industry considers innovation, the following definition given by Crossan and Apaydin was considered to be the most complete. Crossan and Apaydin built on the definition given in the Organisation for Economic Co-operation and Development (OECD) Oslo Manual:

Innovation is production or adoption, assimilation, and exploitation of a value-added novelty in economic and social spheres; renewal and enlargement of products, services, and markets; development of new methods of production; and the establishment of new management systems. It is both a process and an outcome.

American sociologist Everett Rogers, defined it as follows:

"An idea, practice, or object that is perceived as new by an individual or other unit of adoption"

**Required:**

- a) Propose four areas in an enterprise as per the case study where innovation is needed for the enterprise competitiveness (10 marks)
- b) Evaluate the importance of innovation to an MSME (10 marks)
- c) Differentiate innovation from invention (5 marks)

### QUESTION TWO

- a) Evaluate the social advantages of small enterprises in the rural Kenya (10 marks)
- b) Suggest ways that the government can use for enhancing business start-ups (5 marks)

### QUESTION THREE

- a) Explain any five reasons why a government would take keen interest in diversity of entrepreneurship (10 marks)
- b) Discuss any three types of discounts available to a small enterprise customer (5 marks)

### QUESTION FOUR

- a) Kenya has experienced a lot of business growth in the last decade. Assess any five factors that have contributed to this growth (10 marks)
- b) Explain any five benefits of networking to an entrepreneurial firm (5 marks)

### QUESTION FIVE

- a) Evaluate the entrepreneurial process of starting an SME in a developing country (10 marks)
- b) Madam Brunei has just arrived from Canada and wants to start a Yoghurt processing small enterprise. Propose any 5 resources that she has to manage in her business (5 marks)

**QUESTION SIX**

- a) Examine any five benefits that may accrue to a small-scale enterprise for engaging in Corporate Social Responsibility (CSR) practices (10 Marks)
- b) Explain any five components of working capital for a small enterprise (5 marks)