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KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2024/2025 ACADEMIC YEAR
THIRD YEAR, FIRST SEMESTER EXAMINATION
FOR THE DEGREE OF BACHELOR OF SCIENCE
(BUSINESS ADMINISTRATION)

KBA 323 - ENTREPRENEURSHIP 1

Date: 13th December, 2024
Time: 8.30am – 10.30am

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

- a) **Read the case study below and answer the questions that follow**

Empowering Lives in Kenya: The Chebaiywa Clinic

In January 2009, David Tarus walked through the cow pasture, past his neighbors sitting in front of their mud houses and towards the small building that served as Empowering Lives International (ELI) Kenya's Kipkaren River headquarters. In his hand was an anonymous letter which, hours before, had been found pinned to the door of ELI's Chebaiywa Dispensary (the Clinic). The letter contained harsh criticism for the Clinic and its staff, accusing them of neglecting their duty to the community of misery preoccupation with fee collection, of disregarding patients' needs and feelings, and of becoming deaf and blind to the requirements of the community. This was the latest in a series of headaches for Tarus, who days before had been charged by his organization's board with making the Clinic "financially sustainable." As the popularly anointed "bishop" of Kipkaren and director of Chebaiywa Clinic economic and community development efforts in this rural western Kenyan village, Tarus knew that the letter did not represent the majority view. Still, in the context of financial pressures such vocal public criticism gave Tarus pause.

Founded in 2000, the Clinic had grown into an important provider of basic medical care in the Kipkaren community. From its two buildings atop a hillock in the neighborhood of Chebaiywa, the Clinic served a catchment area with some 12,000 residents. Management had recently brought on a new clinical officer, installed electricity with solar backup, and sent one employee each to dental and optician schools. The Clinic was also running a huge budget deficit, and relied on external funding for nearly 75% of its operating expenses. Would the Clinic ever be able to support itself financially? Was it even possible for a community of rural maize farmers in western Kenya to support a clinic of this quality?

Tarus had been speaking with several friends and co-workers about his options for improving the Clinic and its performance. The letter required a response, but first Tarus needed answers to several key questions before he could reach out to the community at large and ask for their support in making the Clinic a long term-success.

Required:

- i) Perform a SWOT analysis for Chebaiywa clinic (6 marks)
- ii) Explain the factors that Tarus should pay attention to so as to achieve his main objective of making the clinic financially stable (6 marks)
- iii) In your opinion, do you think Tarus will be justified in suggesting change in form of venture to improve financial stability? Justify (6 marks)
- iv) What other entrepreneurial strategies can the management of Chebaiywa consider in improving its performance (6 marks)
- b) Distinguish between the various types of entrepreneurs (6 marks)

QUESTION TWO (20 MARKS)

- a) Innovation is a critical phase in any entrepreneurial venture as it may lead to its success or untimely death. Suppose a budding entrepreneur approaches you as an entrepreneurship student so as to seek information on how to act on a creative idea, advise using the New Product Development model (8 marks)
- b) Employees have a stake in the success of a company. Argue for this statement (6 marks)
- c) Legal environment can be advantageous as well as punitive to an entrepreneur, as an entrepreneur of a start up venture, discuss the various legal considerations your business has to comply with before commencing operations (6 marks)

QUESTION THREE (20 MARKS)

- a) For an entrepreneurial venture to succeed in the long term, the entrepreneur has to constantly anticipate for environmental changes and adjust his/her business planning accordingly. Required,
 - i) Identify environmental changes that should be of minimal concern to you an entrepreneur (6 marks)
 - ii) Discuss the necessary steps undertaken during business planning (8 marks)
- b) Identify and define the various legal forms of business entities available for an entrepreneur (6 marks)

QUESTION FOUR (20 MARKS)

- a) For an entrepreneurial idea to be successful innovation, it is important for the entrepreneur to consider a period of idea incubation. Explain (6 marks)
- b) Various authors have cited poor networking to be a major reason of failure of entrepreneurial startup, in your own opinion, identify and discuss the benefits and challenges that may accrue to an entrepreneur as a result of networking (6 marks)
- c) An entrepreneur is exposed to various types of ventures for operation of business. However, choice of the business venture is critical in determining the growth and survival of the entrepreneurial innovation. Using examples of business ventures, argue this statement (8 marks)

QUESTION FIVE (20 MARKS)

- a) Global entrepreneurship monitor is a useful tool when conducting a pre-feasibility study. Identify and explain the benefits that would accrue to a budding entrepreneur considering this tool during product innovation (8 marks)
- b) Using examples, discuss the milestones the Kenyan government has reached in promotion entrepreneurial growth in the country (6 marks)
- c) Outline entrepreneurial challenges posed by the entry of international entrepreneurs in the local market (6 marks)

d)