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**KIRIRI WOMEN'S UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2023/2024 ACADEMIC YEAR**  
**FIRST YEAR, FIRST SEMESTER EXAMINATION**  
**FOR THE DIPLOMA IN ACCOUNTING**  
**DCU 1003: ENTREPRENEURSHIP DEVELOPMENT**

Date: 5<sup>TH</sup> DECEMBER 2023

Time: 8:30AM-10:30AM

**INSTRUCTIONS TO CANDIDATES**

**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

**QUESTION ONE (30 MARKS)**

**Citadel Technology Company (CTC) Expansion into International Markets:**

Citadel Technology Company (CTC) is a mid-sized software company known for its innovative data management solutions. CTC has successfully expanded its business into international markets, achieving significant growth and diversifying its customer base. CTC was founded in Kenya in 1998, and initially served the domestic market where it established itself as a leading provider of data management software. During the period between 1990- 2010 there was great unmet demand for data management solutions and a large growing foreign market, limited competition and shifting consumer preferences that aligned well with CTC products and services. There were also favorable changes in regulations and trade agreements that make market entry easier, a stable economic and political environment, opportunities to form partnerships with local businesses, and their own capabilities and resources for global expansion.

CTC had a team of employees with unique capabilities to generate new and creative ideas, products, or services and the willingness to take calculated risks to bring those innovations to market. CTC's top management had the skill of identifying potential business opportunities, gaps in the market, and unmet needs or wants that could be turned into profitable ventures and had the capacity to set clear, long-term goals and develop a strategic vision for a business. The company's market research team had the skill of gathering and analyzing market data, trends, and customer insights to make informed decisions and the financial management team was excellent. All these factors put together made the leadership team recognize the need for international expansion to access new markets and revenue streams. However, upon entering international market CTC was faced with challenges which could be expected for any company entering a foreign market and the company contemplating to start additional departments such as human resource management and distribution and logistics.

**Required**

- a) CTC had identified several factors which encourage growth of entrepreneurship. Explain six of these factors. (6 Marks)
- b) Describe three entrepreneurial competencies that CTC possessed to be successful in its entrepreneurial endeavors. (6 Marks)
- c) Outline three kinds of CTC's financial records. (6 Marks)
- d) Entering international markets can be a lucrative endeavor for a business, but it also presents a range of challenges. Elaborate six of the key challenges which CTC is likely to face in the international market. (6 Marks)
- e) CTC is yet to start a Human Resource Management department. Recommend the start of HRM department to the management of CTC indicating six advantages of the department. (6 Marks)

**QUESTION TWO (20 MARKS)**

- a) Examine three factors to consider before starting up a business. (6 Marks)
- b) Discuss four various barriers of creativity and innovation on entrepreneurship development. (8 Marks)
- c) Illustrate four ways of identifying a business opportunity. (4 Marks)

**QUESTION THREE (20 MARKS)**

- a) The entrepreneur has been recognized as a major contributor in the achievement of national development. Discuss. (8 Marks)
- b) Explain four internal factors that motivate a person to become an entrepreneur. (4 Marks)
- c) Analyze four key features of a sole proprietor. (8 Marks)

**QUESTION FOUR (20 MARKS)**

- a) Discuss three benefits of budget development in entrepreneurship development. (6 Marks)
- b) Explain three steps that the government of Kenya has taken in order to promote Entrepreneurship. (6 Marks)
- c) Illustrate the four E-commerce platforms that help in growth of entrepreneurship development. (8 Marks)

**QUESTION FIVE (20 MARKS)**

- a) Discuss three sources of business finance to an entrepreneur. (6 Marks)
- b) Explain three ways of mitigating entrepreneurship challenges today. (6 Marks)
- c) Outline four major phases / steps of a business life cycle. (8 Marks)