

BHM 412



OFFICE OF THE DEPUTY PRINCIPAL

ACADEMICS, STUDENT AFFAIRS AND RESEARCH

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# UNIVERSITY EXAMINATIONS

## 2020/2021 ACADEMIC YEAR

THIRD YEAR FIRST SEMESTER MAIN/REGULAR EXAMINATION

**FOR THE DEGREE IN HOTEL AND HOSPITALITY**

**MANAGEMENT**

**COURSE CODE: BHM 412**

**COURSE TITLE: ENTREPRENEURSHIP IN THE HOSPITALITY  
INDUSTRY**

**DATE: 15/3/2021**

**TIME: 2pm-5pm**

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### INSTRUCTIONS TO CANDIDATES

- SEE INSIDE THIS PAPER CONSISTS OF 3 PRINTED PAGES
- PLEASE TURN OVER

## BHM 412

### REGULAR/MAIN EXAM

### BHM 412 ENTREPRENEURSHIP IN THE HOSPITALITY INDUSTRY

STREAM: SBE (BHHM)

DURATION: 3HOURS

#### INSTRUCTIONS TO CANDIDATES

- i) Answer question **ONE** and any other **TWO** questions
- ii) Do not write on the question paper

#### Question 1

Read the following excerpt and answer the questions that follow

John Wafula has just completed his bachelor's degree in hospitality management and wanted to start a small fast food business. In his locality he knew he would be the best businessman since he was armed with all the necessary technical skills and entrepreneurial ideas. John set up his fast food business and within two months he closed the business. The local "mama chips mwitu" still thrived in her small business. John didn't give up and decided to move to another location to try his fast food business all over again. A few months into the business John closed shop again claiming that the target customers there did not appreciate his business. John still did not give up and moved yet to another location where he thought his business would now thrive. True to his thoughts he got a very lucrative location and his business was starting to thrive. The target market in the new location was quite responsive and he made good sales from the business. But there was a challenge. At the end of the every month he noticed that despite the large sales he was making he was not making profit. This discouraged him so much and he has come to you for professional advice.

- i) In your opinion is John a businessman or an Entrepreneur? Explain the difference  
(2marks)
- a) Explain to John the points he needs to bear in mind when selecting a location for a business.  
(4marks)
- b) In your own assessment what can you advice John to do for him to realize whether he's making profit or loses  
(3marks)
- c) highlight **FIVE (5)** internal and **FIVE (5)** external sources of finance that John can consider to help him run his business.  
(5marks)
- d) Elaborate to John the characteristics he needs to poses in order to be a good entrepreneur.  
(5marks)
- e) Discuss with John some of techniques he can use to promote his business. (8marks)

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### QUESTION TWO

- a) Describe the major steps in the entrepreneurial process. (10marks)
- b) As a young person who intends to start a small business after graduating, outline the different sources where you can get business ideas from (10marks)

### QUESTION THREE

- a) Elaborate the meaning of a business plan and expound on the main contents that should be included in a business plan. (10marks)
- b) Discuss the benefits of a business plan to an entrepreneur. (10marks)

### QUESTION FOUR

- a) Discuss the benefits of using technology in a business venture by an entrepreneur, (10marks)
- b) Evaluate the disadvantages of sole proprietorship. (10marks)

### QUESTION FIVE

- a) Evaluate some of the legal documents that an entrepreneur should consider having before starting to operate the business. (10marks)
- b) In your opinion as an entrepreneur why do you think following what the law says and maintaining order is important for your business, explain **FIVE (5)** points. (10marks)

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