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OFFICE OF THE DEPUTY PRINCIPAL

ACADEMICS, RESEARCH AND STUDENTS' AFFAIRS

UNIVERSITY EXAMINATIONS

2018 /2019 ACADEMIC YEAR

FIRST YEAR FIRST SEMESTER REGULAR EXAMINATION

FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT

COURSE CODE:BBM 221

**COURSE TITLE: ENTREPRENUERSHIP THEORY AND
PRACTICE**

DATE:18/04/2019

TIME: 8.00 AM -12.00 PM

INSTRUCTION TO CANDIDATES

- **SEE INSIDE**

THIS PAPER CONSISTS OF 4 PRINTED PAGES

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INSTRUCTIONS:-

- Answer Question ONE and any other TWO questions.
- Question ONE carries 30 Marks

Question one

Read the case study below and answer the questions provided.

Safaricom denies theft of M-Shwari concept

Thursday, December 13 2012 at 22:30

Mobile phone service provider Safaricom has denied allegations that it stole the M-Shwari concept from Faulu Kenya. Read (Safaricom stole our idea to roll out M-Shwari, Faulu Kenya says) Safaricom chief executive Bob Collymore on Thursday said his company would seek to resolve the dispute through legal channels, accusing the micro-finance company of malice. Safaricom launched the M-Shwari service last month in partnership with the Commercial Bank of Africa (CBA). The new product, a value-add on Safaricom's money transfer service M-Pesa, allows users to save and borrow money from the bank. Faulu Kenya has sued Safaricom over copyright of M-Shwari, saying the mobile phone service company stole the idea it developed in 2011. But Mr.Collymore said Safaricom and CBA followed the law in developing M-shwari. "We wish to assure our customers that all measures will be taken to ensure minimal service disruptions during this time." Mr.Collymore sent two contradicting press releases in four hours seeking to clarify Safaricom's position. In the first one, e-mailed to the media at 9.48am, Mr.Collymore said "M-Shwari is a proprietary product of Safaricom Ltd, which is the successful result of a two-year product development process".

At 2.26pm, he beat a retreat: "Safaricom Ltd seeks to clarify that M-Shwari is a banking product of the Commercial Bank of Africa and authorized as such by the Central Bank of Kenya." FauluKenya went to court on Monday claiming that it had shared the M-shwari idea with Safaricom through a concept paper, for possible collaboration. It wants the court to permanently

stop Safaricom from offering the service, and is claiming damages. Faulu Kenya says it is already offering the service under the brand name *KopaChapaa*, in partnership with Airtel.

- a) Using the above case discuss the main causes of Faulus failure (10 marks)
- (b) According to your understanding as an entrepreneur how should Faulu avoid such problems in the future (10marks)
- c) Who is to be blamed in these case and why? (10marks)

Question two.

- a) What attributes should an entrepreneur possess for him to run a successful business enterprise? (6marks)
- (b) Explain some of the challenges that face an entrepreneur in his quest to establish a successful business (8marks)
- (c) Examine six ways through which the economy benefits from the growth of small business (6marks)

Question three

- (a) Describe any five known five types of entrepreneurs (10marks)
- (b) Explain clearly any five ways of becoming an entrepreneur (10marks)

Question four

- (a) Clearly elaborate on what role the government can play to resuscitate the declining state of enterprise development in the economy (10marks)
- (b) Identify and explain any five contemporary issues in entrepreneurship today (10marks)

Question five

- (a) Describe any five sources of business ideas for entrepreneurs in Kenya (10 marks)
- (b) Mr.Jackis planning to introduce the use of computers in his business operations. Describe the likely benefits that will accrue to him. (10marks)



Question six

- (a) Identify and explain any likely risks to a small business and suggest how entrepreneurs should manage these risks. (12marks)
- (b) Describe four sources of finances available to entrepreneurs in Kenya (8marks)

