**AGBM 103**

**CHUKA**                                                    **UNIVERSITY**

**UNIVERSITY EXAMINATIONS**

**FIRST YEAR EXAMINATION FOR THE AWARD OF DEGREE
OF BACHELOR OF SCIENCE IN AGRICULTURAL ECONOMICS AND
AGRIBUSINESS MANAGEMENT**

**AGBM 103: PRINCIPLES OF ENTREPRENEURSHIP**

**STREAMS:  BSC (AGEC& AGBM)**                          **TIME: 2 HOURS**

**DAY/DATE:  WEDNESDAY 11/4/2018**                     **2.30 P.M. – 4.30 P.M.**

**INSTRUCTION:**
- **Answer all questions in section A and any three in section B**
- **Answer each question on separate pages**

**SECTION A**

**QUESTION ONE**

(a)     Explain the main forms of intellectual property rights.              [4 marks]

(b)     To effectively manage your small business, you need fundamental skills. Briefly explain these skills.                                                                                 [5 marks]

(c)     With the risk come rewards that are derived by the person who has come up with the new process. Discuss how Landav's (1982) classified entrepreneurs.              [6 marks]

(d)     Mr. Ngore has just won a lottery of kshs. 300,000. He is contemplating to start a hotel enterprise in Chogoria town. As a business consultant clearly explain to him five benefits that he stands to gain from a well prepared business plan.              [10 marks]

**QUESTION TWO**

(a)     Enumerate the reasons why an entrepreneur should be concerned about e-commerce.

[6 marks]

(b)     Business opportunity is viable business potential to create something new. Discuss the benefits of a well-structured business opportunity.              [9 marks]

**QUESTION THREE**

(a)     Through innovation and creativity, entrepreneurs have been found to contribute significantly to growth of developing countries like Kenya. Discuss.        [7 marks]

(b)     Entrepreneurial spirit is characterized by innovation and risk taking. Discuss the tasks of an entrepreneur.                                                  [8 marks]

**QUESTION FOUR**

(a)     Government support is very crucial to the success of any business venture discuss various ways in which government promote entrepreneurship in Kenya.        [7 marks]

(b)     Discuss the reasons which motivate an entrepreneur to establish an ethical workplace.

[8 marks]

**QUESTION FIVE**

(a)     Discuss the factors favouring entrepreneurship.                      [7 marks]

(b)     Mr. Ayub has received a loan from KCB bank to start a business. He is contemplating to start a project which costs kshs. 320,000 and is expected to generate cash inflows of kshs 160,000, kshs. 140,000 and kshs.120,000 at the end of each year for the next 3 years. Using the trial anderror method, calculate the Internal Rate of return for this project.

[8 marks]

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