



UNIVERSITY EXAMINATIONS: 2025/2026

**EXAMINATION FOR THE DEGREE OF BACHELOR OF SCIENCE IN
INFORMATION TECHNOLOGY**

BSIT303

Entrepreneurship & Business Planning

END TERM EXAMINATION

DATE: THURSDAY, 8.00-11.00AM

TIME: 2 HOURS

INSTRUCTIONS: Question One is Compulsory, Choose Three Other Questions

SECTION A (COMPULSORY)

QUESTION ONE (15 Marks) Compulsory

Shirtz Ltd

Shirtz Ltd is a private limited company owned by Sharon and her husband, Zulu. The business manufactures colourful T-shirts with logos and pictures on the front.

Shirtz Ltd has been operating from a room in their house. Sharon and Zulu make the T-shirts and sell them through online stores such as Amazon and eBay.

Shirtz Ltd's business plan

Aims and objectives

To grow by purchasing new machinery and renting a new location for production

Finance

New finance will be required to fund the business' aims and objectives

Business needs

- New machinery
- Larger premises/location for production

Market Research

- c) Identify which price the market research suggests Shirtz Ltd should charge to obtain the highest revenue. **(1 Marks)**
- d) Analyse how the proposed changes to Shirtz Ltd's marketing mix might impact on the following TWO stakeholder groups.
 - i. Customers **(2 Marks)**
 - ii. Government **(2 Marks)**
- e) Describe TWO factors that Sharon and Zulu should take into account in making the location decision. **(2 Marks)**

SECTION B: ANSWER ANY THREE (3) QUESTIONS IN THIS SECTION)

QUESTION TWO (15 marks)

- a) Mr. Okello had always wanted to manufacture an innovative, energy efficient fan. He was looking into various options and has finally narrowed it down to one option. He understands that the entire idea would have to follow a process. Explain Mr Okellos' creative process. **(10 Marks)**
- b) Identify FIVE ways that Mr. Okello can promote his energy efficient fan when launching it. **(5 Marks)**

QUESTION THREE (15 marks)

- a) Discuss THREE ways the Government of Kenya can support business start-ups. **(6 Marks)**
- b) Highlight in each case THREE innovative ways to help solve problem facing the following MSMEs
 - i. A small bakery struggles with rising flour prices. **(3 Marks)**
 - ii. A boda boda group wants to expand but lacks collateral for loans. **(3 Marks)**
 - iii. A salon owner has high customer turnover. **(3 Marks)**

QUESTION FOUR (15 marks)

- a) Explain THREE different ways entrepreneurs can learn from failure. **(3 Marks)**
- b) Using examples, Discuss FOUR ways of protecting intellectual property for an entrepreneur. **(8 Marks)**
- c) Explain TWO benefits of using personal savings as a source of finance for an enterprise. **(4 Marks)**

QUESTION FIVE (15 marks)

LFK is a coal-mining business. It has 135 employees who are all provided with training. After the dismissal of one of LFK's employees there is a job vacancy for a new supervisor. External recruitment will be used. The Managing Director is preparing a cash flow forecast for LFK. An extract is shown in Table 3.1.



Table 3.1

Extract from LFK's cash flow forecast July - September 2025 \$000			
	July	August	September
Cash inflow	600	400	730
Cash outflow	720	X	590
Net cash flow	(120)	(100)	140
Opening balance	40	(80)	(180)
Closing balance	(80)	(180)	Y

- a) Calculate the value of X and Y. **(4 Marks)**
- b) Identify FOUR reasons why a cash flow forecast might be useful to a business. **(4 Marks)**
- c) Explain TWO advantages of LFK training its employees. **(4 Marks)**
- d) Highlight THREE advantages of external recruitment for a business. **(3 Marks)**

QUESTION SIX (15 marks)

- a) Peter and Jane buy food for their restaurant business from local farms. Explain TWO factors Peter and Jane should take into account when deciding from which farms to buy the food. **(4 Marks)**
- b) Peter and Jane want to increase the number of times the restaurant is hired out for weddings and birthday parties. Identify FOUR types of promotion the restaurant could use to increase the number of customers. **(4 Marks)**
- c) The restaurant is located near to several restaurants which are competitors. Explain two advantages and two disadvantages to the business of being located near to competitors.
 - i. TWO advantages **(2 Marks)**
 - ii. TWO disadvantages **(2 Marks)**
- d) Highlight THREE problems for Peter and Jane's business if the customer service in the expensive dining area was of poor quality. **(3 Marks)**