



**PAN AFRICA CHRISTIAN UNIVERSITY**

**BUSINESS DEPARTMENT**

**COURSE CODE: MBA 508**

**COURSE TITLE: ENTREPRENEURSHIP**

**Instructions**

**Answer question One from section A and any other three questions from section B**

**Section A**

**Compulsory Question**

**Question one**

John and Peter studied hotel a business management course at a city college. John hailed from the suburbs of the city while Peter hailed the rural area neighbouring the city. The two became good friends during the course. Whereas John's parents were well schooled and had influential Government jobs, Peter belonged to a peasant family whose livelihood was mainly small-scale farming which was spearheaded by his single mother. They both shared passion about becoming successful in their life through self-employment given that both were quite intelligent and creative. Their first choice of business was a restaurant to specialize in homemade food. The restaurant was to be set up in the city centre despite the fact that there were many restaurants in the city. However, John felt strongly that people of the city prefer fast food since majority of the population were students who were unlikely to buy the idea of homemade food. However, Peter still felt strongly that the large population of youth who were away from their homes would prefer homemade food.

**Questions**

- a) Explain the characteristics of a good entrepreneur did John and Peter lack which hindered them from having a common understanding to implement their venture? (4 marks)
- b) Discuss the advice that you would give John and Peter to assist them to agree and embark on a viable business venture (6 marks)

**Section B**

**Answer any 3 questions**

**Question two**

a) Justify the need for undertaking feasibility study of a new business idea (4 marks)

b) Discuss three key areas of a feasibility study (6 marks)

### **Question three**

a) Discuss the effect of competition on business (4 marks)

b) Giving relevant examples, examine ways of sustaining competitive advantage (6 marks)

### **Question four**

Sometimes, a new business venture may fail within the 1<sup>st</sup> year of being launched due to lack of a business plan.

a) Explain the advantages of a business plan (3 marks)

b) Evaluate the steps you would take to formulate a business plan for a successful business venture (7 marks)

### **Question five**

Creative process is key to success of a business venture. Evaluate **five (5)** techniques of improving creative process (10 marks)

### **Question six**

a) Discuss **four (4)** challenges facing small businesses which you are familiar with in your country. (4 marks)

b) Critically assess how you would overcome the challenges discussed in (a) above. (6 marks)