

LAIKIPIA



UNIVERSITY

UNIVERSITY EXAMINATIONS

FIRST SEMESTER 2025/2026 ACADEMIC YEAR

FOURTH YEAR EXAMINATION FOR THE DEGREE
OF BACHELOR OF SCIENCE IN COMMUNITY
DEVELOPMENT

**CDEV 415: ENTREPRENEURSHIP AND SMALL BUSINESS
MANAGEMENT**

STREAM: *RUGULAR*

TIME: 2 HRS

DAY: MONDAY [8.30 A.M-10.30 A.M]

DATE: 2/02/2026

THIS QUESTION PAPER CONSISTS OF TWO (2) PAGES

PLEASE DO NOT OPEN UNTIL THE INVIGILATOR SAYS SO.

Vision: Nurture and Transform for the World

Mission: To Contribute to the World through Education, Research, Training, Consultancy, Innovation, Outreach and Collaboration

INSTRUCTIONS: Answer Question one (COMPULSORY) and any other two questions.

QUESTION ONE.

- a) Briefly explain the difference between the following terms as used in business management.
- i) Limited liability and unlimited liability (2marks)
 - ii) Marketing plan and business plan (2marks)
 - iii) Real partners and nominal partners (2marks)
 - iv) Business idea and business opportunity (2marks)
 - v) Partnerships and limited companies (2marks)
- b) Cooperatives play a key role in supporting micro and small business in Kenya, Describe five key features common in cooperatives. (10 marks)
- c) You have been invited in the vetting board for the award of the businessman of the year in Laikipia County. Explain four key qualities of an entrepreneur that you will be looking for. (10 marks)

QUESTION TWO.

- a) Evaluate “ease of discontinuance” as an advantage of a sole proprietorship form of business ownership. (5 marks)
- b) Why do established firms have less trouble in securing credit from financial institutions than newly planned firms. (5marks)
- c) “Failing to plan is planning to fail” Explain the key components of a business plan (10 marks)

QUESTION THREE.

- a) Discuss the contemporary issues affecting the growth and development of SMEs in Kenya. (10marks)
- b) Discuss the ethical issues relevant to the management and operations of SMEs in Kenya (10 marks)

QUESTION FOUR.

- a) Cooperatives play a key role in supporting micro and small business in Kenya, describe five key features common in cooperatives. (10 marks)
- b) What is a partnership agreement? What should it include? (10 marks)