

**Demonstrate Entrepreneurial Skills Level 5**

**3 Hours**

**March/April 2023**



**THE KENYA NATIONAL EXAMINATIONS COUNCIL**

**WRITTEN ASSESSMENT**

**Time: 3 hours**

**INSTRUCTIONS TO CANDIDATES**

*The paper consists of **THREE** sections: A, B and C.*

*Answer **ALL** questions in sections A and B.*

*Choose **ANY TWO** in section C*

*Marks for each question are indicated in brackets.*

*Do not write on this question paper.*

*Write your answers in the answer booklet provided.*

*Answer the questions in **English**.*

**This paper consists of EIGHT (8) printed pages.**

**Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.**

**SECTION A: (20 MARKS)**

*In this section, each question carries one (1) mark. Attempt all questions in this section. Choose the correct answer and write it in the answer booklet provided.*

1. The ability to bring something new into existence is known as?
  - A. Creativity
  - B. Innovation
  - C. Entrepreneurship
  - D. Motive
2. Select a factor that makes a business to grow from the responses below.
  - A. Giving credit
  - B. Offering donations to the needy
  - C. Minimal supervision of employees
  - D. Keeping relevant business records
3. Which one of the following is an important aspect in marketing?
  - A. Profit
  - B. Price
  - C. patent
  - D. Time
4. Which of the following is a type of book keeping account?
  - A. Banking account
  - B. Cash book
  - C. Counter book
  - D. Register
5. Identify which of the following is **Not** an entrepreneurial competence.
  - A. The ability to inspire and motivate others.
  - B. Convey high integrity and honesty.
  - C. The ability to analyze issues and problem solve.
  - D. Ability to participate in business social responsibility (CSR).

6. Stakeholders are critical to any organization. Which one is considered an internal stakeholder?
  - A. Business employees
  - B. Government agencies
  - C. Financial institutions
  - D. Social action organizations
7. The following are strategies of creating competitive advantages by a business. **Except?**
  - A. Target market
  - B. Competition
  - C. Cost leadership
  - D. Differentiation
8. Identify a source where potential suppliers' information can be obtained in Kenya from the following.
  - A. Kenya revenue authority
  - B. Registrar of companies
  - C. Business magazines.
  - D. Bureau of standards
9. Point out which is not a benefit of motivating an employee in a business.
  - A. High productivity levels.
  - B. Lower levels of absenteeism.
  - C. Lower levels of staff turnover.
  - D. Waste of business resources.
10. Infrastructure is one of the factors to be consider when scanning a business environment, and it comprises the following aspects apart from.
  - A. Road
  - B. Water
  - C. Government
  - D. Electricity
11. The most important characteristic of appropriate technology in an enterprise is?
  - A. Effective
  - B. Expensive.
  - C. Maintenances

- D. Avoidable
12. Identify the second phase in the product life cycle.
- A. Seed and development
  - B. Growth
  - C. Maturity.
  - D. Start-up
13. According to Maslow's hierarchy of needs, when all of the physiological needs are met, people tend to become concerned with which of the following?
- A. social
  - B. self-actualization
  - C. Safety needs
  - D. physiological needs
14. The following relate to a business plan. Which one best outlines the ideas in whole business plan
- A. Market plan
  - B. Executive summary
  - C. Business description
  - D. Financial plan
15. Which of the following method is commonly used for collecting customer feedback?
- A. Phone
  - B. Suggestion boxes
  - C. Long term- based survey
  - D. Customer personal appraisal
16. The following are basic entrepreneurial skills. **Except?**
- A. Business skills
  - B. Organizational skills
  - C. Communication skills
  - D. Time management skills

17. Which of the following is the basic role of book-keeping in a business enterprise?

- A. To create partnership
- B. To promote accountability and avoid fraud
- C. For Pricing
- D. To attract funding

18. Identify a factor to consider when evaluating a viable business opportunity

- A. Potential profit
- B. Employees turnover
- C. Name of other business owners
- D. Perpetual succession

19. Entrepreneurship is a constant process that relies on?

- A. Creativity and management
- B. The ability to win over the consumers
- C. Creativity, innovation, and application in the marketplace
- D. Intellectual property right

20. Which one is not an advantage of self-employment?

- A. Can chooses a business of interest
- B. You can be creative
- C. Make a lot of money
- D. Limited liability

**SECTION B (40 MARKS)**

*Answer all the questions in this section. Marks for each question are indicated in the bracket*

21. Briefly define the following terms as used in entrepreneurship. (4marks)
- a) Business plan
  - b) Profitability
22. Martin intends to start a business in his rural market. Give **Five** factors he should consider when starting the business. (5marks)
23. Highlight **Four** advantages of a good business plan. (4marks)
24. Identify **Three** reasons why an entrepreneur should establish a business enterprise. (3marks)
25. Highlight **Five** challenges that might be experienced by a new entrepreneur in Kenya. (5marks)
26. Identify **Three** ways in which you can cut unnecessary expenses in your organization. (3marks)
27. State **Four** legal documents that may be required when starting a small garage in a rural area. (4marks)
28. Highlight **Four** barriers to effective business communications. (4marks)
29. Mention **Four** major entrepreneurial competencies that enables an entrepreneur to manage an enterprise smoothly. (4marks)
30. As a young automotive technician willing to be an entrepreneur explain **Four** sources of finance to raise capital to start a business. (4marks)

**SECTION C (40MARKS)**

*Answer any Two questions from this section*

31. Unemployment has been an issue in Kenya since independence. Young people always wait for white collar jobs after schooling yet there are many opportunities to earn a living with.
- a. Explain **Five** ways of generating good business ideas. (10marks)
  - b. As a young entrepreneur discuss **Five** ways in which you can evaluate a business opportunity if it's viable. (10marks)
32. When a business is starting and growing it goes through various stages in its life cycle.
- a. Using a diagram discuss the last two stages of a business life cycle. (10marks)
  - b. Recommend five ways in which an entrepreneur can keep his/her business afloat. (10marks)
33. a. Describe five support services available for small enterprises. (10marks)
- b. Discuss five benefits associated with ICT tools in a business. (10marks)