

LEVEL 5

Demonstrate Entrepreneurial Skills

July /Aug 2023



**TVET CURRICULUM DEVELOPMENT, ASSESSMENT AND CERTIFICATION
COUNCIL (TVET CDACC)**

WRITTEN ASSESSMENT

Time: 3 hours

INSTRUCTIONS TO CANDIDATES

1. This paper has THREE sections A, B and C.
2. You are provided with a separate answer booklet.
3. Marks for each question are as indicated.
4. Do not write on the question paper.

This paper consists of 6 printed pages

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

SECTION A: (20 MARKS)

In this section, each question carries one mark. Attempt all questions in this section

1. Identify from the list which competence is considered core for a business.
 - A. Security.
 - B. Infrastructure.
 - C. Transport.
 - D. Communication.
2. Stakeholders are important to any organization. Choose which one is a form of an internal stakeholder?
 - A. Business employees
 - B. Government agencies
 - C. Business support.
 - D. Social action organizations
3. Which of the following is a correct form of a non-wage benefit offered by an enterprise to its employees?
 - A. Monetary tokens, increased salaries and promotions.
 - B. Recognition, promotions, free staff developments and increased salaries.
 - C. Free staff developments and recognition, promotions, better working conditions.
 - D. Added responsibility, increased salaries, promotion and paid leave.
4. Which one is not true about product promotion in a business?
 - A. It is carried out to promote a new product
 - B. It aims at creating or improving business image:
 - C. It is aimed at making corrections on wrong business perceptions
 - D. It always increases business sales
5. _____ is a strategy of creating a competitive advantage by a business.
 - A. Establishing cartels
 - B. Market differentiation
 - C. Establishing a monopoly.
 - D. Business duplication
6. The following are sources of information in Kenya. Which source will best provide information about potential suppliers?
 - A. Huduma centers
 - B. Registrar of companies
 - C. Business magazines.

- D. Bureau of standards
7. Motivating employees in a business result to _____
- A. Waste of the business resources.
 - B. Conflicts among the employees
 - C. High levels of staff turnover.
 - D. Enhanced employee's productivity.
8. Which of the following is a limitation of self-employment?
- A. Being an own boss.
 - B. Unpredicted income
 - C. Making independent decisions.
 - D. Self-actualization.
9. You have been asked to carry out an appraisal task of the heads of department in an organization. Identify the management function that you would use to appraise them.
- A. Directing
 - B. Planning
 - C. Controlling
 - D. Evaluating
10. _____ is a major component that constitutes a business plan?
- A. Financial summary.
 - B. Feasibility summary.
 - C. Production summary.
 - D. Executive summary.
11. Identify which of the following is a privilege of an ordinary shareholder in a company.
- A. Ordinary shareholder has a right to vote.
 - B. Ordinary shareholder has first claim on company assets during dissolution.
 - C. Ordinary shareholder has unlimited liabilities.
 - D. Ordinary shareholder does not easily transfer shares.
12. You have been invited to give a talk on problem solving process. Choose the correct problem-solving process from the set provided.
- (i). Evaluate the options, (ii). Identify the issues.(iii).Select an option, (iv)Monitor and evaluate, (v) list the possible solutions
- A. i, ii, iii, iv, v.
 - B. ii, iv. iii, i, v.

- C. ii, v, i, iii, iv.
D. v, ii, i, iii, iv.
13. Which among the following forms of financing is the cheapest for a new graduate starting a small enterprise?
A. Leasing and renting.
B. Personal savings
C. Long term loan.
D. Borrowing from friends
14. Identify the benefit of a business innovation strategy for a business growth.
A. It establishes an enterprise direction.
B. It promotes cooperate social responsibility.
C. It leads resource underutilization.
D. It enables tax evasion.
15. The process of adding value to an existing product, is referred to as?
A. Promotion.
B. Creativity.
C. Innovation.
D. Production.
16. Select from the list below, a document required when initially starting a small business.
A. Business permit
B. Title deed
C. Business name
D. Business logo
17. Employees in a business organization have a right to?
A. Company resources for personal gain
B. insubordination
C. Join Political demonstrations
D. Fair remuneration
18. According to Maslow's hierarchy of needs, when all the physiological needs are met, people tend to become concerned with _____.
A. Social needs.
B. self-actualization
C. Safety needs

D. Physiological needs

19. State a reason why employees may resist the introduction of a new system into the organization.
- A. Fear of the unknown.
 - B. Being involved in the change management.
 - C. Timely introduction of the business system.
 - D. Introduction of new employees.
20. The following relates to a business environment. Identify which one is a form of internal environment?
- A. Political environment
 - B. Technological environment.
 - C. Organizational structure
 - D. Economic environment.

SECTION B: (40 MARKS)

Attempt all questions in this section.

21. Some trainees requested you to explain why an enterprise requires market research.
Highlight THREE importance of market research. (3 Marks)
22. State TWO examples in each of the following in relation to an enterprise.
 - a). Strengths (2 Marks)
 - b). opportunity (2 Marks)
23. Businesses strive to ensure that they have captured and maintained a large customer base.
Identify TWO benefits associated with building a loyal customer base? (2 Marks)
24. Mention FOUR legal aspects that help a business run smoothly. (4 Marks)
25. Outline FOUR importance of customer feedback to a business. (4 Marks)
26. Indicate FOUR reasons why an entrepreneur prepares a business plan. (4 Marks)
27. Identify TWO methods that an enterprise can use to classify its customers. (2 Marks)
28. Highlight FOUR barriers to effective business communication. (4 Marks)
29. Point out THREE ways which may help you to expand market for your goods and services in your county. (3 Marks)
30. Mention FOUR major competencies that lead to superior entrepreneurial performance. (4 Marks)
31. State THREE characteristics of an appropriate technology. (3 Marks)
32. Determine THREE factors that can be used by an enterprise to choose a reliable supplier for its production needs. (3 Marks)

SECTION C: (40MARKS)

Answer any two questions in this section

33.

- a) Happy customers are repeat customers. Justify this statement by explaining FIVE ways that a business can use to reward its loyal customers for repeat purchases.

(10 Marks)

- b) Purity was invited to give a talk on innovation at ABC enterprise. Discuss FIVE types of innovation she included in her discussion.

(10 Marks)

34.

- a) Young entrepreneurs after receiving Hustler fund, were seeking information about sources of business ideas. Explain to them FIVE sources where business ideas can be obtained from.

(10 Marks)

- b) Discuss FIVE types of feasibility study undertaken by a business.

(10 Marks)

35.

- a) Mwalimu Publishers have approached you to write an article in entrepreneurship in one of their monthly journals. Discuss FIVE ways of becoming an entrepreneur that you would include in the article.

(10 Marks)

- b) In a training session, one of the facilitators emphasized the importance of entrepreneurship to the national development of a country. Explain FIVE ways to support this emphasis

(10 Marks)