

LEVEL 5

Demonstrate Entrepreneurial Skills

March /April 2024



**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 SEVEN (7) printed pages.

SECTION A (20 MARKS)

Attempt ALL questions. Each question carries one mark.

1. Which one of the following is a component of the 4Ps of marketing?
 - A. Price
 - B. Patent
 - C. Plan
 - D. Parameters

2. Point out a strategy that helps in understanding competitor's marketing strategy.
 - A. Market analysis
 - B. Competitor's analysis
 - C. Growth plan
 - D. Marketing growth

3. Choose a set that contains the correct PESTEL model that influences the performance of an enterprise in the contemporary society.
 - A. Political, E-marketing, Social, Technological, Economic and Legal factors
 - B. Political, Educational, Social, Technological, Economic and Legal factors
 - C. Political, Economic, Social, Technological, Economic and Legal factors
 - D. Political, Economic, Status, Technological, Economic and Legal factors

4. _____ is an important characteristic of an appropriate technology in an enterprise.
 - A. Effective
 - B. Expensive.
 - C. Obsolete
 - D. Avoidable

5. Which of the following is the cheapest source of capital to start and run a business?
 - A. Loans from financial institutions
 - B. Sale of personal assets
 - C. Personal savings
 - D. Debenture

6. Which basic accounting equation is true?
- A. $\text{Assets} = \text{Capital} + \text{Liabilities}$
 - B. $\text{Liabilities} = \text{Capital} - \text{Assets}$
 - C. $\text{Capital} = \text{Liabilities} + \text{Assets}$
 - D. $\text{Assets} = \text{Capital} - \text{Liabilities}$
7. Which one of the following is a principle of entrepreneurship?
- A. Resource mobilization
 - B. Market segmentation
 - C. Pricing
 - D. Vision
8. Select a primary financial statement_____
- A. Balance sheet.
 - B. Invoice.
 - C. Delivery note
 - D. Damage note
9. Identify a characteristic of an entrepreneur_____
- A. Averse risk taker
 - B. Sympathetic
 - C. Gambler
 - D. Calculated risk taker
10. The process of dividing a target market is known as _____?
- A. Market segmentation
 - B. Industry segmentation
 - C. Marketing plan
 - D. Market analysis
11. _____ is a role of an entrepreneur.
- A. Broadcasting
 - B. Licensing
 - C. Allocation of resources
 - D. Tax evasion

12. Point out an advantage of integrating Information Communication and Technology in an enterprise?
 - A. Convenience
 - B. Enormous Leakages
 - C. Increased overheads
 - D. Less audience
13. Identify an advantage of a sole proprietorship.
 - A. Easy management
 - B. Bearing all profits and losses
 - C. Easy access to credit than a partnership
 - D. Nonpayment of taxes
14. Entry into self-employment in Kenya requires an entrepreneur to _____
 - A. Register a business
 - B. Have formal training
 - C. Have a lot of capital.
 - D. Be corrupt
15. Which one of the following is an effect of motivating employees in a business enterprise?
 - A. Waste of business resources
 - B. Conflicts among employees
 - C. High level of staff turnover
 - D. Improved employee productivity
16. Identify a strategy for retaining loyal customers.
 - A. Hidden costs
 - B. Offering after sale services
 - C. Discrimination
 - D. Offering faulty products as discounts
17. As an entrepreneur, which of the following would you implement in your outlet to increase cash flows and profitability?
 - A. Increase workforce
 - B. Additional loans
 - C. Put in place financial recording and accountability policy
 - D. Avoid paying taxes

18. Choose from the list a strategy to grow and expand a business.
- A. Tax evasion
 - B. Increase the prices
 - C. Flexibility
 - D. Being rigid
19. Below are social responsibility activities that an entity may engage in the contemporary society. Which one is NOT?
- A. Community development
 - B. Fraud prevention and tightening general community security
 - C. Product safety
 - D. Ethical business practices.
20. The following are the basis of a target market EXCEPT?
- A. Age
 - B. Gender
 - C. Income
 - D. Product

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SECTION B (40 Marks)

Attempt ALL questions from this section

21. Enumerate FIVE challenges likely to be faced by small scale enterprises operating in the modern society (5 Marks)
22. As a graduate in your area of training, outline FOUR resources that you may use to source a business idea. (4 Marks)
23. Self-employment is an alternative form of employment. State FIVE importance of self-employment to a fresh graduate? (5 Marks)
24. Highlight THREE factors that inhibit entrepreneurial development in Kenya. (3 Marks)
25. An entrepreneur is a person who is able to scan the immediate environment, generate ideas, gather resources, and take action on an identified opportunity with the aim of making a profit. State FOUR types of entrepreneurs. (4 Marks)
26. Businesses operate within a legal framework that guide its activities. Highlight FIVE legal aspects that affect a business. (5 Marks)
27. State THREE impacts that a business's operations have on the communities living around its area of operation. (3 Marks)
28. A business plan is a written document that describes the goals and objectives of a business and clearly lists the steps that will be taken to achieve them. State FOUR uses of a business plan to a business. (4 Marks)
29. Mention FOUR barriers to effective communication. (4 Marks)
30. Innovation is an instrument that a business uses to enhance its competitiveness. Highlight THREE types of business innovation strategies. (3 Marks)

SECTION C (40 Marks)

Answer TWO questions in this section. Question 31 is compulsory.

31. Zakayo, after graduating, started a business that was very successful compared to other similar businesses. His business was known in most parts of the county. He has always been in contact with government agencies while doing his business. At some point, he had a challenge maintaining his customer base. His former colleague approached him and advised him to expand the business ownership to cope with the stiff competition. Use the above case study to answer the following questions.
- a) State FOUR characteristics that would have made Zakayo a successful entrepreneur (4 Marks)
 - b) Mention THREE ways the government would have supported his business (3 Marks)
 - c) Identify FOUR problems Zakayo could have encountered when starting his business (4 Marks)
 - d) List THREE types of internal environments that affected his business (3 Marks)
 - e) Highlight FOUR methods he could use to maintain his customers (4 Marks)
 - f) Identify TWO types of entrepreneurs you would classify Zakayo under (2 Marks)
32. a) An executive summary is a section of the business plan that conveys a clear and concise picture of the proposed venture/plan and it provides an overview of the whole document. Describe the FIVE standard components of an executive summary. (10 Marks)
- b) You have been invited to participate in preparing a journal on legal aspects affecting businesses. Discuss FIVE legal issues affecting a business that you would include in the journal. (10 Marks)
33. a) Nairobi County Government have asked you to give a presentation on a business life cycle. Explain the FIVE main stages you would discuss in your presentation (10 Marks)
- b) Demand is the ability and willingness of individuals to purchase goods or services available in a given market over a specific period of time. Explain FIVE tools used to determine the level of demand for a given product in a market. (10 Marks)

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