

KASNEB

ENTREPRENEURSHIP AND COMMUNICATION

DECEMBER 2012

SECTION 1

QUESTION ONE

Wananchi Bicycles Limited specializes and building customized bicycles to meet the specific needs of mountain bike racing professionals.

The company has earned a reputation of designing the best mountain bikes in the world because of its founder and master designer, Hassan Wa Baiskeli, a great entrepreneur.

Since the company started in the year 2002, 70% of all the greatest mountain bike races in the world have been won by cyclists using bicycles designed by Wananchi Bicycles Limited. Wananchi Bicycles Limited intensified its marketing activities from 2007. The marketing budget has since grown four fold.

To generate business ideas, the company has cultivated a culture of involving all the employees through focus group discussions. As more and more people gain interest in competitive cycling, the demand for custom built bicycles is expected to increase significantly going by the performance of Wananchi Bicycles Limited. During the year 2012 London Olympics games, mountain bikes racing was one of the competitive sports. The sales for the custom built bicycles are expected to increase exponentially next year.

To meet the expected demand for custom built racing bicycles that can handle mountain riding as well as road racing, Wananchi Bicycles Limited is seeking for additional financing to enable the company add new workstations and hire additional designers. If this investment is made, marketing projections and written commitments from several mountain bikes racing teams will result in increase in sales by 150% next year. This increase translates into sales revenue of sh. 200,000,000. To achieve the target sales, the company plans to undertake extensive marketing activities.

Required:

- a) Using the above information and introducing any other relevant information, formulate a detailed marketing plan component for Wananchi Bicycles Limited business plan (16 marks)
- b) Outline four limitations of focus discussions (4 marks)

(Total: 20 marks)

QUESTION TWO

- a) Highlight five non financial incentives that entrepreneurs could use to motivate employees in an enterprise (5 marks)
- b) Enumerate five benefits of using electronics data interchange in an enterprise (5 marks)
- c) Discuss five roles of entrepreneurship in economic development. (10 marks)

(Total: 20 marks)

QUESTION THREE

- a) Outline four reasons why government levies custom duty (4 marks)
- b) Explain six features of a good financial plan (6 marks)
- c) It is often said that 50% of privately owned businesses fail in the first year and 95% within the first five years. Using an appropriate diagram, describe "business life cycle" (10 marks)

(Total: 20 marks)

QUESTION FOUR

- a) Summarize four sources of internal capital (4 marks)
- b) Pollution is a major environmental concern today. Suggest six measures that a manufacturing entity could put in place to minimize pollution (6 marks)
- c) Discuss five factors that an entrepreneur should put into consideration before deciding on the form of business ownership. (10 marks)

(Total: 20 marks)

SECTION 2

QUESTION FIVE

- a) Explain the following terms:
 - i. Multimedia communication (2 marks)
 - ii. VOIP (2 marks)
 - iii. EFT (2 marks)
- b) Highlight six methods of upward communication in an enterprise (6 marks)
- c) Summarise eight benefits that could accrue to an entrepreneur from a well designed customer oriented website (8 marks)

(Total: 20 marks)

QUESTION SIX

- a) In relation to communication ethics, distinguish between "ethical dilemma" and "ethical lapses" (4 marks)
- b) Identify six factors that an entrepreneur should consider to make audio visual communication effective (6 marks)
- c) Using an appropriate diagram, describe Berlo's SMCR model of communication (10 marks)

(Total: 20 marks)

QUESTION SEVEN

- a) In relation to communication barriers, explain the following terms;
 - i. Abstracting (2 marks)
 - ii. Slanting (2 marks)
 - iii. Built in resistance (2 marks)
 - iv. Environmental stress (2 marks)

(Total: 20 marks)

v. Distorting

(2 marks)

b) Examine five guidelines for conducting an effective online research

(5 marks)

c) Summarise five categories of non verbal communication

(5 marks)