



**STRATHMORE INSTITUTE  
DIPLOMA IN ENTREPRENEURSHIP  
END OF SEMESTER EXAMINATION  
UNIT CODE: DE 1205 ENTRPRENEURIAL OPERATIONS MANAGEMENT**

**DATE: January 18<sup>th</sup> 2022**

**Time: 2 Hours**

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**Instructions**

1. This examination consists of **FIVE** questions.
2. Answer **Question ONE (COMPULSORY)** and any other **TWO** questions.
3. **DO NOT WRITE ON THE QUESTION PAPER**

**QUESTION ONE**

Rachel Njeri has just been appointed as the regional manager of Toyota East Africa. Her objectives are to grow the brand all over East Africa and ensure that customers are always satisfied. She is in charge of a large group of workers and managers who need to be constantly encouraged and motivated in order to reach the targets she has set. She does this through offering bigger salaries and promotions.

Her marketing and social media team tell her of a great desire by East African customers for a 4x4 Toyota. This 4x4 should be suitable for the East African roads, consider the extended family setup of East African society and the dual purpose of most vehicles in East Africa. She has passed this information to headquarters in Japan alongside the proposed name which is the “Toyota Ndovu”. They are impressed and have given the go ahead for production of the “Toyota Ndovu” to start by the end of the year. Using the information above, answer the following questions:

- a) Identify the organizational structure used by Toyota East Africa. (1 mark)

- b) Explain two advantages of the organizational structure identified in (a). (4 marks)
- c) Describe three performance features that the “Toyota Ndovu” will need to have in order to satisfy customers. (6 marks)
- d) Identify the production system likely to be used to manufacture the “Toyota Ndovu”. (1 mark)
- e) Describe three features of the production system identified in (d). (6 marks)
- f) Discuss three factors Rachel needs to consider when offering bigger salaries. (6 mark)
- g) Using your knowledge of competitive advantage, explain three benefits of the strategy Rachel is using in manufacturing the “Toyota Ndovu”. (6 marks)

## **QUESTION TWO**

- a) Research findings indicate that new businesses tend to do worse at entering new markets and introducing new products and services. Describe three types of markets or industries that are friendly to new businesses. (6 marks)
- b) The legal structure a business takes affects a lot of decisions that an entrepreneur will take in the future. Explain three benefits should an entrepreneur decide to incorporate. (6 marks)
- c) New ventures often face financing challenges because they cannot prepare detailed historical records. Identify three financial documents that can be used to overcome this problem. (3 marks)

### QUESTION THREE

- a) One of the best ways for entrepreneurs to discover customer needs and wants is to ask them directly what they feel about certain products. Describe three ways you can go about this. (6 marks)
- b) Match the following products with their respective manufacturing processes and layouts.

	Process	Layout
i.	Standardized products	
ii.	Engineer to order	
iii.	Fixed layouts	(6 marks)

- c) Identify any three core functions of human resource management. (3 marks)

### QUESTION FOUR

- a) Stakeholders can be any person or entity, who influences and can be influenced by the company's activities. Describe three differences between internal and external stakeholders of a business. (6 marks)
- b) Explain three reasons why marketing of services is important. (6 marks)
- c) Define the following terms used in organizational structure. (3 marks)
- Departmentalization
  - Centralization
  - Span of control

## QUESTION FIVE

- a) Safaricom recently expanded to Ethiopia as it looks to grow its telecommunication business in Eastern Africa growth. Describe three other internal growth strategies the companies can use to grow its business. (6 marks)
  
- b) Discuss three challenges that social entrepreneurs face. (6 marks)
  
- c) Identify the three key departments when carrying out operations management. (3 marks)