



Strathmore
UNIVERSITY

STRATHMORE BUSINESS SCHOOL

MASTER OF SCIENCE IN DEVELOPMENT FINANCE

END-OF-SEMESTER EXAMINATION

MDF 8201: ENTREPRENEURSHIP AND INNOVATION

Date: Thursday 7th December 2023

Time: 3 Hours

Instructions:

- This examination contains **FIVE** questions.
- Question **ONE is compulsory** and is worth 30 marks.
- Questions **TWO to FIVE** are worth 15 marks each.
- Answer the **compulsory question (ONE)** and **ANY OTHER TWO** questions.

Question 1 – Compulsory (30 marks)

Read the case titled: ‘**Sapna Book House -Charting a Trajectory for Long-term Growth**’ and answer the questions that follow:

- a) Drawing from the case, discuss the three advantages and three disadvantages of a family business **(6 Marks)**
- b) Family businesses go through three different stages of growth. Explain the different stages that Sapna Book House has gone through, and the challenges faced by the business at the different stages **(9 marks)**
- c) Using the family business three-circle, identify the different stakeholders of the Sapna Book House family business and discuss how they have each contributed to the entrepreneurial growth of the family business **(10 marks)**
- d) Professionalisation of family business is key to their long-term survival. Drawing from the Sapna Book House case, advise Nijesh on some key policies that could be included in the family constitution to ensure the business survived to future generations of the family. **(5 marks)**

Question 2 (15 marks)

Kune Foods was founded in December 2020 to offer ready-to-eat affordable meals and conducted a trial in Kenya in the early months of 2021 before officially beginning operations later that year. In 2022, the CEO raised \$1 million dollars pre-seed and borrowed an undisclosed amount from a local bank. However, after launching the business indicating that Kune was a startup to go for

affordable ready-to-eat meals in the country, the business struggled to take off in the Kenyan Market.

You have been hired as a business consultant to advise the CEO of Kune on how to restructure the business to take advantage of the local environment to create a sustainable business model for Kune Foods

- a) Discuss the four processes that the CEO should consider while building a sustainable business model **(5 marks)**
- b) Drawing on the Business Model Canvas (BMC) advise the CEO on how to create an innovative business model for Kune Food using Doblin's Ten Types of Innovation **(10 marks)**

Question 3 (15 marks)

The United Nations Development Programme (UNDP) promotes investment and collaboration for social good on an international scale. As mentioned earlier, the global pandemic has been a catalyst for innovation, with experts from all fields working overtime to figure out solutions that can help the world in the new normal. As Rwanda struggled to cope with rising cases, the UNDP Accelerator Lab brought health professionals together with the Ministry of ICT and Innovation to design and deploy anti-epidemic robots. These advanced robots help screen people and detect COVID-19 cases at Kigali International airport and provide additional services in the local hospitals and treatment centers, including food and medication delivery.

- a) "Social problems are rarely solved individually or with a small start-up team but rather through collaboration". Referencing the above excerpt discuss this statement **(5 marks)**
- b) Open innovation, such as that embraced by UNDP in developing the advanced robots, is a double-edged sword. Explain the term "open innovation" and set out four pros and four cons that UNDP faces in adopting open innovation. **(10 marks)**

Question 4 (15 marks)

Entrepreneurship has become a buzzword in our times with many economies focusing on designing policies that encourage venture start-up. Notably, examples of both failed and successful ventures abound leading to an increased interest, scholarly and in practice, in understanding the reasons underlying the failure and success rates.

- a) Describe six roles that entrepreneurship plays in the economic development of a country. **(6 marks)**

- b) Greiner argues that entrepreneurial ventures grow through different stages as a result of the entrepreneur's attempts to resolve crises at each stage, which propels the venture to the next stage. Discuss Greiner's model of growth of entrepreneurial ventures. **(9 marks)**

Question 5 (15 marks)

Given the increasing cost of living in the country, you have decided to set up an entrepreneurial venture ("side hustle") to supplement your income.

- a) Distinguish between necessity and opportunity driven entrepreneurship and identify which type applies to you in this scenario **(5 marks)**
- b) Detail the Starbuck's Framework for industry analysis and analyse whether the industry you are proposing to venture into is attractive with reference to this framework. **(10 marks)**