



Strathmore
UNIVERSITY

**STRATHMORE INSTITUTE
DIPLOMA IN ENTREPRENEURSHIP
END OF SEMESTER EXAMINATION
DE 1205: ENTREPRENEURIAL OPERATIONS MANAGEMENT**

DATE: 7th December 2020

Time: 2 Hours

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

- a) The Covid-19 pandemic has had a negative impact on businesses and workers leading to loss of jobs and incomes. However, there have been some entrepreneurs who have discovered business opportunities despite the economic downturn. Describe four business opportunities that have arisen in Kenya post-Covid and show if these businesses are sustainable should the pandemic come to an end. (12 marks)
- b) A challenge that new entrepreneurs discover when running their businesses is deciding the organizational structure their business will take. Discuss the approach a new entrepreneur should take on the following issues: (8 marks)
 - i. Work specialization
 - ii. Departmentalization
 - iii. Pattern of authority
 - iv. Span of control
- c) Mike Mwangi is an upcoming Kenyan IT entrepreneur who has hired you as his senior business development manager. Mike is in the mobile communication industry which is dominated by several big players like Safaricom and Airtel. Discuss five strategies that Mike could use to grow his business and enable his business to compete. (10 marks)

QUESTION TWO

- a) According to the 2016 National Micro, Small and Medium Business Establishment Survey (MSME) of 2016, 46% of new Kenyan enterprises close by the end of their 1st year with nearly 30% citing shortage of operating funds as their main reason for closing the business. Discuss three reasons why Kenyan equity investors are unwilling to invest in new businesses. (9 marks)
- b) The betting industry in Kenya is one of the fastest growing in Kenya with over 40 betting companies in the country. Give three detailed reasons why this is the case using your knowledge of feasibility analysis. (6 marks)

QUESTION THREE

- a) Ann, your best friend has recently started a business where she sells cookies and biscuits. She has asked your advise on the following:
 - i. Three characteristics of the best production method to use for her business (3 marks)
 - ii. Three advantages of using that production method (3 marks)
 - iii. Three disadvantages of using that production method (3 marks)
- b) Discuss two ways how knowledge of Operations Management is invaluable to entrepreneurs. (6 marks)

QUESTION FOUR

- a) Using the Kano Model develop a set of attributes that would be useful for a smart phone manufacturer who wants to increase satisfaction from his potential customers. (9 marks)
- b) Explain three factors new entrepreneurs should consider when deciding whether to hire or outsource labour. (6 marks)

QUESTION FIVE

- a) Discuss three reasons why there has been a growth in sustainability reporting by entrepreneurs and the impact it is having on them. (9 marks)
- b) Describe three advantages of being an imitator in entrepreneurship. (6 marks)