STRATHMORE BUSINESS SCHOOL

MASTER OF DEVELOPMENT FINANCE

SPECIAL EXAMINATIONS

MDF 8102: ENTREPREURSHIP AND INNOVATION

DATE: 27th April 2026 **TIME:** 3 Hours

Instructions

1. This examination consists of **FIVE** questions.
2. Answer **Question ONE (COMPULSORY)** and any other **TWO** questions.

QUESTION ONE (30 MARKS)

The question is Based on the *Drivelectric Limited: Recognising Entrepreneurial opportunities in an Emerging Market Provided*.

a) Using the PESTLE framework analyse how the external macro-environment affects Romano's ability to exploit the e-mobility and second-life battery opportunities at Drivelectric. **(10 Marks)**

b) Based on the Drivelectric case, identify and critically discuss the types of innovation that Romano and Drivelectric have pursued. In your answer, classify each innovation using the four-type framework and evaluate its strategic significance for Drivelectric's growth. **(10 Marks)**

c) Using the Entrepreneurial Orientation framework, advise Romano on how to develop an entrepreneurially oriented business strategy that positions Drivelectric to grow from its current proof-of-concept stage into a larger, commercially sustainable organisation. **(10 Marks)**

QUESTION TWO **(20 MARKS)**

(a) Opportunities are built using a combination of ideas and entrepreneurial creativity mixed with market need and good situational timing. Discuss the four essential qualities of opportunities (use relevant examples**).** **(10 Marks)**

(b) An entrepreneur in Kenya is planning to launch a digital platform that connects smallholder farmers to urban consumers, aiming to reduce post-harvest losses and improve farmer incomes. However, the entrepreneur faces challenges related to market access, funding constraints, and building a capable management team**.** Using the Timmons Three M Model (Market, Money, Management), analyze the viability of this venture. (**10 Marks)**

QUESTION THREE **(20 MARKS)**

Kaynan has recently been laid off from his job and is considering venturing into entrepreneurship. He has an idea of introducing a new drink into the market but is unsure how to proceed. He approaches you for advice on the key processes he needs to undertake to successfully launch his venture.

Required:

a) Identify and explain the key steps in the entrepreneurial process that Kaynan should follow from idea generation to venture launch. **(10 Marks)**

b) Kaynan has requested your support in developing a **sustainable business model** for his new drink venture. Evaluate the benefits of developing a sustainable business model for Kaynan's venture. In your answer, clearly discuss how the key functions of a business model contribute to the long-term success and sustainability of the business. **(10 Marks)**

QUESTION FOUR **(20 MARKS)**

Tuskys Supermarket was founded in 1990 in Rongai Town, Nakuru, by Joram Kamau (the patriarch), who died in 2002. Ownership passed to his children: four brothers held 17.5% each through Orakam Holding Ltd (the holding company of Tusker Mattresses Ltd), while one brother and two sisters held 10% each (30% combined). The chain grew to over 52 branches across Kenya and Uganda by 2016. A family CEO led the business from 2001 to 2019 (three successive family and non-family CEOs), but sibling rivalry escalated from 2012 when allegations emerged that three directors had siphoned Ksh 1.6 billion through affiliate subsidiary companies, Enkarasha, Magic Pay, and Ndykak Investments. Shareholders had not received dividends for three consecutive years. Physical altercations, court cases, and conflict of interest disputes involving affiliate companies and third-generation family members compounded the governance collapse. Tuskys ultimately closed all its branches. Drawing form, the case answer the following questions

(a) Evaluate the advantages and disadvantages of family businesses, using relevant examples from the Tuskys case. **(10 Marks)**

(b) Recommend strategies to improve governance and management in family businesses, with specific reference to Tuskys. **(10 Marks)**

QUESTION FIVE **(30 Marks)**

a) Maria has developed innovative circular bags made from recycled plastics and is seeking funding to scale production and enter new markets. Critically evaluate the most appropriate sources of funding available to Maria at this stage of her business. **(10 Marks)**

b) *Keyhope* is a Kenyan social enterprise that provides affordable digital skills training, access to technology, and entrepreneurship support for underserved communities. To strengthen its social impact while ensuring financial sustainability, the company seeks to integrate the Triple Bottom Line (TBL) model into its operations. How can Keyhope effectively integrate the Triple Bottom Line (TBL) model into its business strategy to enhance both social impact and financial sustainability? **(10 marks)**