



**STRATHMORE INSTITUTE**

**DIPLOMA IN BUSINESS CREATION AND ENTREPRENEURSHIP**

**END OF SEMESTER EXAMINATION**

**DE1102: INNOVATION & TECHNOLOGY IN ENTREPRENEURSHIP**

**DATE:** Tuesday, 18<sup>th</sup> April 2023

**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 (30 Marks)**

- a) Explain the importance role of creativity and innovation in entrepreneurship development **(6Marks)**
- b) Describe how Minimum viable product (MVP) in lean start up method enables entrepreneurs validate their business ideas. **(8Marks)**
- c) Illustrate how technology has in the recent past led to new business that displace the existing ones and open new markets. **(6Marks)**
- d) The adoption of innovation is the process of accepting and integrating new ideas, products, or services into an organization, industry, or society.  
Explain five factors that influence the adoption of innovation. **(5Marks)**
- e) According to research by the Small Business Administration (SBA), a significant percentage of business start-ups begin to fail in the first year, and by the tenth, only about 33% survive what are reasons for the business fail rate? **(5Marks)**

### **Question Two (15Marks)**

- a) Explain the importance conducting user research in new product development. (10Marks)
- b) Explain the difference between convergent and divergent thinking illustrate how each approach can be used in problem-solving. (5 Marks)

### **Question Three (15 Marks)**

The world we live in today is not the world we were born into. In these past few years, technology has changed the way we interact, the way we conduct business, the way we shop and the way we live and work. It has become an integral part of our routine and now forms an indispensable part of life.

- a) Using examples, explain why technology is essential creating and sustaining business. (10Marks).
- b) Outline the benefits of testing a prototype before launching a new product in the market(5Marks).

### **Question Four**

- a) Discuss engagement statistics and key metrics applied by entrepreneurs to validate business assumptions (10Marks).
- b) Explain five benefits of putting business ideas on a lean canvas (5Marks)

### **Question Five**

- a) The value proposition refers to the unique benefits or solutions that a product or service offers to its customers. Describe how the following business create value to their customers. (9Marks)
  - i. Mobile money –Mpesa
  - ii. Tax hailing application like Uber.
  - iii. Social commerce platforms
- b) Business face financial challenges during the starting phase. Identify sources of funding for new business (6Marks)