



**Strathmore**  
UNIVERSITY

**STRATHMORE BUSINESS SCHOOL**

MASTER OF SCIENCE IN DEVELOPMENT FINANCE

**END OF SEMESTER EXAMINATION**

**MDF 8102: ENTREPRENEURSHIP AND INNOVATION**

**Date:** Thursday 9<sup>th</sup> December 2021

**Time:** 3 Hours

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**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 “The Founding of Flipz: Living the Entrepreneurship Dream?” and answer the following questions:

- a) The entrepreneur is at the heart of the entrepreneurial process and is instrumental in bringing together the other contingencies in this process. Demonstrate how Lee is central to the process of setting up Flipz **(10 marks)**
- b) The entrepreneur’s ecosystem plays a major role in the development of the venture. Identify the six elements of Lee’s ecosystem and show how they contribute to the Lee’s entrepreneurial journey. **(12 marks)**
- c) Flipz had hit a growth plateau and Lee needed to come up with ways of jumpstarting the business. Practically illustrate how Lee can apply intensive growth strategies. **(8 marks)**

### Question 2 (15 Marks)

- a) Set out a business idea which you would like to venture into and set out the business model you would apply in your venture. **(10 marks)**
- b) “It is better for you to start the venture with a founding team rather than alone”. Justify this statement **(5 marks)**

### Question 3 (15 Marks)

Family businesses are commonly seen as small start-ups however they occupy a bigger place in economic development.

- a) Giving practical illustrations from a Kenyan family business you are familiar with, set out five reasons why family businesses are unique **(10 marks)**
- b) Explain how the family in this business can apply liquidation to exit the business and justify whether you believe this is a good exit strategy for this business. **(5 marks)**

### Question 4 (15 Marks)

- a) You are the Chief finance officer of medium sized company that is selling pharmaceutical products in the country. Discuss ways in which the company can be socially responsible. Give practical examples. **(7 marks)**
- b) You are the General Manager of Design Masters Ltd, a company that is providing interior design solutions to in the region. The company has been trying to encourage the culture of Innovation. Citing practical examples, explain to your team **four** possible sources of innovation that they could take advantage of. **(8 marks)**

### Question 5 (15 Marks)

- a) You are the CEO of MyDigital Solutions Inc., (MDS), a fast-growing company that is providing IT solutions in the country with branches in other African countries. Citing relevant examples, discuss **three** constraints that entrepreneurial firms like MDS are likely to encounter in the African market and policy interventions to address the constraints. **(9 marks)**
- b) You sit in the Advisory Board of High-Tech Ltd., (HTL), a newly launched a manufacturing company of electronic appliances. Explain to the management the need to do a pre- mortem and the potential risks associated with a new product that the pre-mortem would help address. **(6 marks)**