



STRATHMORE BUSINESS SCHOOL
MASTER OF SCIENCE IN DEVELOPMENT FINANCE
END OF SEMESTER EXAMINATION
MDF 8201: ENTREPRENEURSHIP AND INNOVATION

Date: Friday, 22nd January 2021

Time: 3 Hours

Instructions

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

Question 1 (Compulsory) (30 Marks)

Read the case titled: The Spinach King: Scaling the Opportunity in Social Enterprise and answer the questions that follow:

- a) Discuss the social characteristics possessed by Nomjana. **(8 marks)**
- b) Reflect on Nomjan's entrepreneurial journey and describe the process of starting a social enterprise. **(8 marks)**
- c) Identify the Critical components of a business model and use these to analyze Nomjana's business model. **(8 marks)**
- d) Using the case above and the knowledge gained from class, discuss **three** benefits of social enterprises to an economy. **(6 marks)**

Question 2 (15 Marks)

- a) Most large firms are faced with the problem of having an administrative environment which does not support corporate entrepreneurship. You are the new CEO of FIX IT, a company that is providing IT solutions to organizations in the region. The company has been trying to encourage the culture of Creativity and Innovation. Citing relevant examples, explain **three** ways which you can use to enhance the culture of creativity in your organization.

(6 marks)

- b) You are the Chief Finance Office (CFO) of Digitech Solutions Ltd., a medium sized company that is providing IT solutions in the country. The management is considering an IPO as a growth strategy to expand the company's operations in the East African Region. Explain to the management whether the company should venture into the proposed IPO.

(9 marks)

Question 3 (15 Marks)

- a) Before venturing into any industry, the entrepreneur must determine the stage of the industry within the industry life cycle. With relevant examples from Kenyan industries, discuss the stages in the industry life cycle. **(10 marks)**
- b) "It is better for an entrepreneur to start the venture with a founding team rather than alone". Justify this statement **(5 marks)**

Question 4 (15 Marks)

- a) Not all ideas are entrepreneurial opportunities. Define an entrepreneurial opportunity and explain when can an idea be considered an opportunity **(6 marks)**
- b) Greiner proposes that entrepreneurial growth through different stages emanates from the entrepreneur's attempt to resolve crises at each stage, which propels the venture to the next stage. Discuss Greiner's model of entrepreneurial organizations. **(9 marks)**

Question 5 (15 Marks)

One of the biggest questions on every hopeful entrepreneur's mind is how to come up with a compelling viable idea for a business venture. Your friend has just graduated with a Masters' Degree in one of the local universities. He is considering venturing into entrepreneurship.

- a) Citing relevant examples to illustrate, explain to your friend **four** sources of business opportunities that he could leverage on. **(8 marks)**
- b) Advise your friend why it may not be ideal to partner with family members in starting the venture and suggest to him considerations that he should put in mind if he decides to partner with them in the venture. **(7 marks)**