

**Level 5**

**Demonstrate Entrepreneurial Skills**

**Nov/Dec 2024**



**TVET CURRICULUM DEVELOPMENT, ASSESSMENT AND CERTIFICATION COUNCIL  
(TVET CDACC)**

**WRITTEN ASSESSMENT**

**Time: 3 HOURS**

**INSTRUCTIONS TO CANDIDATE**

1. Marks for each question are indicated in the brackets.
2. The paper consists of **TWO** sections: **A** and **B**.
3. Candidates are provided with a separate answer booklet
4. **DO NOT** write on this question paper.

**This paper consists of THREE (3) printed pages  
Candidates should check the question paper to ascertain that all pages  
are printed as indicated and that no questions are missing.**

**SECTION A (40 MARKS)**

*Answer ALL the questions in this section.*

1. The rate of business failure in country Z has been increasing rapidly for the last year. List FOUR challenges likely to be faced by small-scale enterprises operating in modern society. (4 Marks)
2. As a graduate in your area of training, outline FOUR resources that you may require to source a business idea. (4 Marks)
3. Self-employment has been an alternative form of employment in many countries. State FOUR importance of self-employment to a fresh graduate. (4 Marks)
4. Entrepreneurship is usually considered as a wheel of an economy in almost all nations today. Highlight FOUR factors that inhibit entrepreneurial development in Kenya. (4 Marks)
5. An entrepreneur is a person, who can scan the environment, generate ideas, gather resources, and take action on an identified opportunity to make a profit. State FOUR types of entrepreneurs. (4 Marks)
6. Business risks arise from various sources and can impact an enterprise in different ways. Highlight FOUR factors that influence the magnitude of business risks. (4 Marks)
7. A company operating in a certain sector must take into account the grievances of the residents and its target customers. Outline FOUR impacts that a business operation may have on the communities living around its area of operation. (4 Marks)
8. A business plan is a written document that describes the goals and objectives of a business and lists the steps that will be taken to achieve them. State FOUR uses of a business plan for a business. (4 Marks)
9. Effective communication in an enterprise may lead to increased sales turnover. Mention FOUR barriers to effective communication. (4 Marks)
10. Innovation is an instrument that a business can use to enhance its competitiveness. Highlight FOUR types of business innovation strategies. (4 Marks)

**SECTION B (60 MARKS)**

**Answer question 11 and any other two in this section.**

11. After graduating, John started a business that was very successful compared to other similar businesses. His business was known in most parts of the county. He has always been in contact with government agencies while doing his business and making sure that he conforms to all the government guidelines and directives. At some point, he had the challenge of maintaining his customer base. His former colleague approached him and advised him to expand the business ownership to cope with the stiff competition and also embrace digital marketing.
- a) State FIVE characteristics that enabled John to be a successful entrepreneur. (5 Marks)
  - b) Mention FIVE ways that the government may have supported his business. (5 Marks)
  - c) Identify FIVE problems John encountered when starting his business. (5 Marks)
  - d) Highlight FIVE methods he should employ to maintain his existing customers. (5 Marks)
12. An executive summary is a section of a business plan that conveys a clear and concise picture of the proposed venture and it provides an overview of the whole document.
- a) Explain FIVE standard components of an executive summary. (10 Marks)
  - b) You have been invited to participate in preparing a journal on legal aspects affecting a business. Discuss FIVE legal issues affecting a business that you would include in the journal. (10 Marks)
13. The growth stage of an enterprise's lifecycle is characterized by several key features that indicate expansion and increasing complexity.
- a) With reference to the lifecycle of an enterprise, explain FIVE features associated with this stage. (10 Marks)
  - b) Demand is the ability and willingness of individuals to buy goods or services available in a given market over a given period. Explain FIVE tools that an entrepreneur may use to determine the level of demand for a given product in a market. (10 Marks)
14. The government encourages citizens to engage in entrepreneurship due to the key role that it plays in contemporary society.
- a) Explain FIVE contributions of entrepreneurship towards the economy of a country. (10 Marks)
  - b) Creative entrepreneurs are individuals who blend creativity and business insight to develop innovative products, services, and experiences. Explain FIVE characteristics of creative entrepreneurs. (10 Marks)