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CAMS LEVEL I

PRINCIPLES OF ENTREPRENEURSHIP AND MANAGEMENT

MONDAY: 23 November 2020.

Time Allowed: 3 hours.

Answer any THREE questions in SECTION I and any TWO questions in SECTION II. ALL questions carry equal marks.

SECTION I

QUESTION ONE

- (a) Outline five reasons why it is important for an entrepreneur to prepare a business plan. (5 marks)
- (b) Identify seven sources of business ideas for entrepreneurs. (7 marks)
- (c) (i) Explain four principles of innovation in entrepreneurship. (4 marks)
- (ii) Highlight four sources of innovation for entrepreneurs. (4 marks)

(Total: 20 marks)

QUESTION TWO

- (a) Discuss five challenges faced by entrepreneurs in your country. (10 marks)
- (b) Highlight five disadvantages of buying an existing business. (5 marks)
- (c) Explain five reasons why an entrepreneur would set customer credit limits. (5 marks)

(Total: 20 marks)

QUESTION THREE

- (a) Explain the following forms of business organisations:
- (i) Sole proprietorship (2 marks)
- (ii) A partnership (2 marks)
- (iii) A public limited company. (2 marks)
- (iv) A private limited company. (2 marks)
- (b) Highlight six disadvantages of sole proprietorships. (6 marks)
- (c) Identify six sources of funds for entrepreneurs. (6 marks)

(Total: 20 marks)

QUESTION FOUR

- (a) (i) Define the term "goodwill". (2 marks)
- (ii) Explain four benefits of creating goodwill with customers. (8 marks)
- (b) (i) Define the term "e-commerce". (2 marks)
- (ii) Explain four advantages of e-commerce. (8 marks)

(Total: 20 marks)

SECTION II

QUESTION FIVE

- (a) Explain the following principles of management:
- (i) Division of work. (2 marks)
 - (ii) Discipline. (2 marks)
 - (iii) Unity of direction. (2 marks)
 - (iv) Scalar chain. (2 marks)
 - (v) Stability of tenure. (2 marks)
- (b) Identify five causes of inefficient filing in an organisation. (5 marks)
- (c) Summarise five functions performed by middle level management. (5 marks)
- (Total: 20 marks)**

QUESTION SIX

- (a) Propose six measures that management of an organisation could take to ensure the safety of employees. (6 marks)
- (b) Outline six positive consequences of conflict in an organisation. (6 marks)
- (c) Analyse four reasons why there has been a growing interest in corporate governance practice both in the private and public sectors. (8 marks)
- (Total: 20 marks)**

QUESTION SEVEN

- (a) Outline seven roles of a filing clerk. (7 marks)
- (b) Explain five benefits of communicating decisions to employees. (5 marks)
- (c) Discuss four risks faced by Small and Medium Enterprises (SMEs). (8 marks)
- (Total: 20 marks)**
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