



Riara School of Business
Nurturing business innovators
SEPTEMBER -DECEMBER 2019 TRIMESTER
EXAMINATION FOR BACHELOR OF BUSINESS ADMINISTRATION
EVENING PROGRAMME
RBA 406: SMALL BUSINESS MANAGEMENT

DATE: 11TH DECEMBER 2019

TIME: 2 HOURS

GENERAL INSTRUCTIONS:

Students are NOT permitted to write on the examination paper during reading time.

This is a closed book examination. Text book/Reference books/notes are not permitted.

SPECIAL INSTRUCTIONS:

1. Write your REGISTRATION NO. Clearly on the answer booklet(s)
2. Answer Question One (COMPULSORY) and ANY One in Section B
3. Questions in all sections should be answered in answer booklet(s)
4. Marks allocated to each question are shown at the end of the question.
5. PLEASE start the answer to EACH question on a NEW PAGE
6. For the questions, write the number of the question on the answer booklet(s) in the order you answered them
7. Write your answers in paragraph form unless stated otherwise
8. Keep your phone(s) SWITCHED OFF at the front of the examination room
9. Keep ALL bags and caps at the front of the examination room and do not refer to any unauthorized material before or during the course of the examination
10. You are only allowed to leave the examination room 30 minutes to the end of the Examination

QUESTION ONE: COMPULSORY (30 MARKS)

- a) Assess **FIVE** ways through which SBEs, with their limited resources, can compete effectively with large enterprises **(10Marks)**
- b) The trend in family businesses is that, **First**, many young people are going into business for themselves and tapping their parents for funds to finance their venture **Second**, a large number of spouses doing business together referred to as *copreneurs*. Examine **FIVE** factors copreneurs should consider before they get into business together? **(5 Marks)**
- c) Training and development involves improving the effectiveness of organizations and the individuals and teams within them. Describe **FIVE** reasons why employee training and development is important for small businesses. **(5Marks)**
- d) Differentiate between venture capitalist and angel capitalist giving examples for each **(4 Marks)**
- e) To avoid family succession problems, entrepreneurs should start planning early for their replacements. Explain **FOUR** reasons why estate planning is important for small businesses **(4Marks)**
- f) Differentiate between limited liability and limited partnerships forms of business ownership **(2Marks)**

QUESTION TWO

- a) Discuss the **FOUR** main components of a Business Plan **(8 Marks)**
- b) Entrepreneurship is said to be the backbone of most successful economies, Evaluate **SIX** challenges the Kenyan youth entrepreneurs face in their endeavor to contribute in economic development of the country. **(12Marks)**

QUESTION THREE

- a) Analyze **FIVE** ways through which Information Technology can give an entrepreneur a competitive advantage **(10 Marks)**
- b) A business needs protection from scrupulous businesses or individuals. Describe **FIVE** reasons why understanding intellectual property rights will help safeguard small firms. **(10 Marks)**

QUESTION FOUR

- a) Examine **FIVE reasons** that may prompt a firm to Internationalize its operations **(10 Marks)**
- b) Discuss **FIVE** reasons why Marketing Research is necessary for small businesses. **(10 Marks)**