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CAMS LEVEL I

**PRINCIPLES OF ENTREPRENEURSHIP AND MANAGEMENT**

**MONDAY: 20 May 2019.**

**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) With reference to sources of finance, explain the following terms:
- (i) Bank overdraft. (2 marks)
  - (ii) Owner's capital. (2 marks)
- (b) Highlight three disadvantages of bank overdraft as a source of finance. (3 marks)
- (c) Outline three advantages of using trade credit in an enterprise. (3 marks)
- (d) Discuss five benefits of innovation to a business enterprise. (10 marks)

**(Total: 20 marks)**

**QUESTION TWO**

- (a) Highlight five services that business incubators could offer to start-up companies. (5 marks)
- (b) Explain five ways through which an entrepreneur could maintain regular visits by customers to an enterprise website. (5 marks)
- (c) Describe five stages of the creative process for business ideas. (10 marks)

**(Total: 20 marks)**

**QUESTION THREE**

- (a) Explain five factors which could limit the growth of entrepreneurship in a country. (5 marks)
- (b) Identify five challenges that entrepreneurs might encounter in the process of selecting a new business venture. (5 marks)
- (c) Discuss five measures which could be used to effectively control credit given to customers in an enterprise to avoid bad debts. (10 marks)

**(Total: 20 marks)**

**QUESTION FOUR**

- (a) Define the term "preference shares". (2 marks)
- (b) Explain four ways in which an entrepreneur could use to maintain competitive advantage in a business. (8 marks)
- (c) Discuss five e-commerce challenges that could affect the small and medium enterprises (SMEs) in a country. (10 marks)

**(Total: 20 marks)**

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## SECTION II

### QUESTION FIVE

- (a) Outline five key attributes that could be considered when recruiting a receptionist in an organisation. (5 marks)
- (b) Explain five reasons why managers could be reluctant to delegate authority to their subordinates. (5 marks)
- (c) Discuss five reasons why planning is important in an organisation. (10 marks)
- (Total: 20 marks)**

### QUESTION SIX

- (a) Highlight five benefits of computerising the filing system in an organisation. (5 marks)
- (b) State five features of a sound policy. (5 marks)
- (c) Explain five roles of supervisory management in an organisation. (5 marks)
- (d) Outline five indicators of low motivation among employees in an organisation. (5 marks)
- (Total: 20 marks)**

### QUESTION SEVEN

- (a) State three factors that could hinder team effectiveness. (3 marks)
- (b) Outline five causes of conflict in an organisation. (5 marks)
- (c) Highlight four guidelines that employees could observe to mitigate against accidents at the work place. (4 marks)
- (d) Explain four characteristics of good governance. (8 marks)
- (Total: 20 marks)**
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