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CAMS LEVEL I

PRINCIPLES OF ENTREPRENEURSHIP AND MANAGEMENT

MONDAY: 26 November 2018.

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) Identify five ways in which entrepreneurs contribute towards economic development in your country. (5 marks)
- (b) Highlight seven benefits that a business could gain from operating as a franchise. (7 marks)
- (c) Explain four types of discounts that a trader might offer to customers. (8 marks)
- (Total: 20 marks)**

QUESTION TWO

- (a) Identify ten purposes of carrying out marketing research. (10 marks)
- (b) Explain the five stages of a business life-cycle. (10 marks)
- (Total: 20 marks)**

QUESTION THREE

- (a) State four reasons why some people prefer to be self-employed. (4 marks)
- (b) Outline four limitations of using debt to finance a firm's operations. (4 marks)
- (c) (i) Distinguish between "creativity" and "innovation". (4 marks)
- (ii) Identify four types of innovation that an entrepreneur could adopt. (8 marks)
- (Total: 20 marks)**

QUESTION FOUR

- (a) Describe five factors that an entrepreneur should consider before purchasing an already existing business. (10 marks)
- (b) Explain the following forms of credit sales:
- (i) Simple credit. (2 marks)
- (ii) Monthly account. (2 marks)
- (iii) Trade credit. (2 marks)
- (iv) Hire purchase. (2 marks)
- (v) Budget account. (2 marks)
- (Total: 20 marks)**

SECTION II

QUESTION FIVE

- (a) State five non-financial motivators that might be given to employees. (5 marks)
 - (b) List seven guidelines that should be followed in answering a telephone call in the office. (7 marks)
 - (c) Explain the following principles of management:
 - (i) Esprit de corps. (2 marks)
 - (ii) Equity. (2 marks)
 - (iii) Unity of command. (2 marks)
 - (iv) Remuneration. (2 marks)
- (Total: 20 marks)**

QUESTION SIX

- (a) Highlight six reasons why it is important to establish procedures to be followed in the daily operations of an organisation. (6 marks)
 - (b) State six functions performed by top level management in an organisation. (6 marks)
 - (c) Explain four techniques that management could apply to resolve conflicts in an organisation. (8 marks)
- (Total: 20 marks)**

QUESTION SEVEN

- (a) Highlight five benefits of centralising office operations. (5 marks)
 - (b) Outline five objectives of maintaining good corporate governance systems in an organisation. (5 marks)
 - (c) State five features of a good organisational structure. (5 marks)
 - (d) Describe five sources of power that leaders possess. (5 marks)
- (Total: 20 marks)**
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