



GRETSA UNIVERSITY - THIKA

**UNIVERSITY EXAMINATIONS
MAY - AUGUST 2018 SEMESTER**

DIPLOMA IN BUSINESS MANAGEMENT

COURSE CODE: DBEN 015

COURSE TITLE: NEW VENTURE CREATION

DATE: 8TH AUGUST 2018

TIME: 8.00 AM – 11.00 AM

INSTRUCTIONS TO CANDIDATES

1. SECTION A IS **COMPULSORY**.
2. SECTION B: ANSWER ANY OTHER **THREE** QUESTIONS.
3. **DO NOT** WRITE ANYTHING ON THIS QUESTION PAPER AS IT WILL BE AN EXAM IRREGULARITY.
4. ALL ROUGH WORK SHOULD BE AT THE BACK OF YOUR ANSWER BOOKLET AND CROSSED OUT.

CAUTION: All exam rooms are under CCTV surveillance during the examination period.

SECTION A: COMPULSORY

Question One

When an entrepreneur wishes to start a business, there are several methods they consider. In particular, some may have an idea of what they do but more often than not, they are constantly looking for ideas to develop into a viable business.

- a) Identify and explain the various methods of generating a business idea. **[15 marks]**
- b) Explain the business startup process. **[15 marks]**
- c) Describe the five stages of business growth. **[10 marks]**

SECTION B: ANSWER ANY THREE QUESTIONS

Question Two

Once an entrepreneur has screened all the business ideas, they usually come up with one idea where they want to concentrate their efforts. They then have to put their idea into test to see whether their ideas can be developed into a viable business venture.

- a) Explain some of the business considerations one needs to consider before starting a business. **[14 marks]**
- b) Start-up ideas can be classified into three types. Explain the three types of start-up ideas. **[6 marks]**

Question three

Before investing the money, entrepreneurs usually evaluate their ideas to confirm that the idea has a good prospect of being a good business venture.

- a) Explain five requirements to judge whether a business idea is a good investment or not. **[10 marks]**
- b) Business ideas can come from many sources depending on the characteristics of the entrepreneur starting it. Explain the various sources of business ideas. **[10 marks]**

Question Four

Once a business has started, it usually passes through a continuum of stages of growth and will be different in each stage depending on how well it is doing in the market place.

- a) With help of a diagram, describe the continuum of early growth of a business. **[10 marks]**

- b) The growth of a business passes through several stages. Describe the five stage MODEL of business growth. **[10 marks]**

Question five

Financing is one of the most critical aspects of starting a business. Without adequate financing based on the type of the business, the business idea will be still born. To get financing however, the business needs to be legally registered.

- a) Describe the various sources of financing a start-up business . **[10 marks]**
- b) Describe the various legal forms of a start-up business. **[10 marks]**