



AMREF INTERNATIONAL UNIVERSITY
SCHOOL OF MEDICAL SCIENCES
DEPARTMENT OF NURSING & MIDWIFERY SCIENCES
BACHELOR OF SCIENCE IN NURSING
End of May - August Trimester Examinations 2025

BSM 318 Entrepreneurship
UPGRADING
DATE:

Duration: 2 HOURS

Start: Start

Finish:

INSTRUCTIONS

- 1. This exam is out of 70 Marks**
- 2. This Examination comprises THREE Sections. Section I: Multiple Choice Questions
Section II: Short Answer Questions and Section III: Long Answer Questions
Answer ALL Questions but in Section III: Long Answer Questions-choose 1 question**
- 3. Do not write on the question paper. Use the back of the answer booklet for any rough work**

PART ONE: MULTIPLE CHOICE QUESTIONS (MCQs) 20 MARKS

1. An entrepreneur operating in a volatile market introduces a flexible business model that adapts quickly to environmental changes. This demonstrates:
 - A. Strategic planning
 - B. Risk avoidance
 - C. Adaptive innovation
 - D. Bureaucratic control

2. A major reason entrepreneurs fail to scale their businesses despite profitability is:
 - A. Weak marketing efforts
 - B. Inadequate accounting systems
 - C. Lack of visionary leadership
 - D. Over-reliance on formal education

3. When evaluating a new market opportunity, a savvy entrepreneur conducts a PESTLE analysis to:
 - A. Estimate profit margins
 - B. Understand external environmental factors
 - C. Formulate HR policies
 - D. Monitor internal operations

4. A social entrepreneur primarily aims to:
 - A. Maximize shareholder wealth
 - B. Achieve rapid market growth
 - C. Address a social problem sustainably
 - D. Accumulate intellectual property

5. In business modeling, the value proposition defines:
 - A. The price customers are willing to pay
 - B. The emotional appeal of the brand

- C. The unique benefit offered to customers
- D. The geographic coverage of the business
6. You are advising a startup focused on eco-friendly packaging. Which financing option is most aligned with its values and early-stage needs?
- A. Commercial bank loan
 - B. Impact investment
 - C. Trade credit
 - D. Government bond
7. A lean startup approach emphasizes:
- A. Robust infrastructure before market testing
 - B. Heavy investment in R&D prior to product launch
 - C. Rapid prototyping, testing, and iterative learning
 - D. Hiring experienced professionals from the outset
8. One of the ethical dilemmas facing entrepreneurs includes:
- A. Choosing between debt and equity
 - B. Balancing growth and tax obligations
 - C. Ensuring product-market fit
 - D. Prioritizing profits over consumer safety
9. The minimum viable product (MVP) strategy is effective because:
- A. It maximizes initial sales volume
 - B. It allows early adopters to fund the business
 - C. It validates assumptions with minimal resource use
 - D. It guarantees full product quality
10. Strategic alliances between entrepreneurs and existing firms are primarily formed to:
- A. Meet legal requirements
 - B. Increase short-term revenue

- C. Access new markets and capabilities
 - D. Avoid competition
11. In high-growth startups, bootstrapping is often used in early phases because:
- A. It guarantees stakeholder approval
 - B. It limits external influence
 - C. It enables asset diversification
 - D. It eliminates all forms of risk
12. Entrepreneurs often experience the “paradox of choice” when:
- A. They enter saturated markets
 - B. They have too many funding offers
 - C. They cannot choose between innovation and imitation
 - D. They lack decision-making tools
13. A scalable business model is one that:
- A. Can reduce staff easily
 - B. Increases revenue without equivalent cost increase
 - C. Operates without market research
 - D. Requires high initial capital only
14. When a business achieves product-market fit, it means:
- A. Competitors start replicating the product
 - B. Marketing budget can be reduced
 - C. Customers demand and value the product
 - D. Investors start buying equity
15. The biggest limitation of traditional business plans in dynamic markets is:
- A. Overly detailed financial projections
 - B. Poor grammar and formatting
 - C. Rigidity and assumption-laden frameworks

D. Lack of visual elements

16. A competitive advantage is sustainable when:

- A. It is protected by regulation
- B. It is based on price competition
- C. It is unique, valuable, and difficult to replicate
- D. It is backed by heavy marketing

17. A business that integrates SDGs into its core strategy is said to be practicing:

- A. Social marketing
- B. Corporate philanthropy
- C. Sustainable entrepreneurship
- D. Stakeholder capitalism

18. Pivoting in entrepreneurship implies:

- A. Exiting a market entirely
- B. Firing non-performing staff
- C. Changing direction based on learning
- D. Automating all operations

19. One of the risks of scaling too quickly is:

- A. Improved brand recognition
- B. Inability to meet demand
- C. Easier regulatory compliance
- D. Enhanced investor confidence

20. An entrepreneur analyzing unit economics is mainly interested in:

- A. Corporate governance structures
- B. The profitability per customer or transaction
- C. The country's inflation rate
- D. Historical break-even points

SECTION B: SHORT ANSWER QUESTIONS (30 MARKS)

Answer all questions (5 marks each)

1. Outline five roles of entrepreneurship in socio-economic development using examples from the Kenyan context.
2. State-List five sources of entrepreneurial ideas and explain how each source can be used effectively.
3. Outline five characteristics that differentiate successful entrepreneurs from unsuccessful ones.
4. Outline the steps involved in evaluating a business opportunity.
5. Outline five reasons why record-keeping is essential in managing a startup.
6. State five factors to consider when selecting a location for a new business.

SECTION C: LONG ANSWER QUESTION (20 MARKS)

1. Discuss the major stages of the entrepreneurial process from idea generation to business growth. Support your answer with relevant examples.