



MURANG'A UNIVERSITY OF TECHNOLOGY

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

UNIVERSITY ORDINARY EXAMINATION

2024/2025 ACADEMIC YEAR

**THIRD YEAR FIRST SEMESTER EXAMINATION FOR BACHELOR
OF SCIENCE IN ENTREPRENEURSHIP AND ENTERPRISE MANAGEMENT**

BHE 304 – ECONOMICS OF ENTREPRENEURSHIP

DURATION: 2 HOURS

INSTRUCTIONS TO CANDIDATES:

1. Answer question ONE and any other two questions.
2. Mobile phones are not allowed in the examination room.
3. You are not allowed to write on this examination question paper.

SECTION A – ANSWER ALL QUESTIONS IN THIS SECTION

QUESTION ONE (30 MARKS)

Macroeconomics is the analysis of a countries' economic structure and performance and the government policies in affecting its economic conditions. Economists are interested to know the dynamics that contribute towards country's economic growth.

Required;

- a. Outline five roles of an economic growth in a country. (5 marks)
- b. Define the term macroeconomics citing some of its aggregate variables. (5 marks)
- c. Highlight any five qualities of an entrepreneur. (5 marks)
- d. Outline five roles of an entrepreneur in relation to Schum Peter's Theory of entrepreneurship. (5 marks)
- e. Display five factors of production as applied in microeconomics. (5 marks)
- f. Illustrate five fundamental conditions between entrepreneurship management and market driven management concept. (5 marks)

SECTION B – ANSWER ANY TWO QUESTIONS IN THIS SECTION

QUESTION TWO (20 MARKS)

- a. Explain the common features shown by market makers in the economics of market making. (10 marks)
- b. Explain five tasks of entrepreneurs. (10 marks)

QUESTION THREE (20 MARKS)

- a. Size, age, and growth relationship became one of the most disputed issues related to the patterns of firm growth and industrial dynamics. In view of this statement, explain five ways that relate to firm's size, age, and growth. (10 marks)
- b. Discuss five stages of business development in a business lifecycle. (10 marks)

QUESTION FOUR (20 MARKS)

- a. Discuss the Michael Potter's five forces of competition with regard to new market entry. (10 marks)
- b. The intensity of rivalry in a given business industry is dependent on a number of factors. Discuss. (10 marks)