



CAMS LEVEL I

PRINCIPLES OF ENTREPRENEURSHIP AND MANAGEMENT

MONDAY: 4 December 2023. Morning Paper.

Time Allowed: 2 hours.

This paper is made up of fifty (50) Multiple Choice Questions. Answer ALL questions by indicating the letter (A, B, C or D) that represents the correct answer. Each question is allocated two (2) marks. Do NOT write anything on this paper.

1. Which of the following is a reward for entrepreneurship?
A. Patience
B. Passion
C. Profits
D. Promotion (2 marks)
2. Identify a challenge faced by entrepreneurs when setting up a business.
A. Lack of competitors
B. Limited financing
C. Multiple channels
D. Product maturity (2 marks)
3. Which of the following is a factor that distinguishes intrapreneurs from entrepreneurs?
A. Intrapreneurs are innovative
B. They seek new opportunities
C. Their reward is wages or salaries
D. They take moderate business risks (2 marks)
4. Choose a characteristic of an entrepreneurial venture from the following:
A. Maintain modest business operations
B. Have high potential for growth
C. Involves less risk and low returns
D. Non-profit oriented pursuing social problems (2 marks)
5. Choose a reason why government encourages the setting up of small businesses.
A. Avoid establishment of large businesses
B. Promote balanced regional development
C. Reduce the level of employment in the country
D. Enable issuance of large number of licences (2 marks)
6. Identify an approach that entrepreneurs may use to establish a viable business opportunity.
A. Find gaps in the market place
B. Infrastructural development
C. Accumulate business ideas
D. Establish a legal framework (2 marks)
7. Which of the following term explains the process of turning an idea into a marketable product or service?
A. Ideation
B. Commercialisation
C. Conceptualisation
D. Validation (2 marks)

8. Identify a role played by government in promoting entrepreneurship.
- A. Providing political governance
 - B. Enforcing law and compliance
 - C. Provide an enabling environment
 - D. Provide business governance
- (2 marks)
9. Which of the following is a characteristic of an executive summary of a business plan?
- A. Last to be read
 - B. First to be written
 - C. Short and comprehensive
 - D. Lengthy and detailed
- (2 marks)
10. Which of the following is a role of business incubation?
- A. Provide skilled employees
 - B. Accelerate business growth
 - C. Act as business role models
 - D. Provide political stability
- (2 marks)
11. Choose a form of business that has no separation between ownership and management.
- A. Private limited company
 - B. Public limited company
 - C. A joint venture company
 - D. Sole proprietorship
- (2 marks)
12. Choose the importance of having a clearly drawn partnership agreement to the members.
- A. Reduce disputes among partners
 - B. Liability of partners are limited
 - C. Legal framework is broadened
 - D. Minimises partners tax liability
- (2 marks)
13. Which of the following factors is considered when choosing a business entry option?
- A. Generating ideas
 - B. Amount of finance
 - C. Business plan
 - D. Registration plan
- (2 marks)
14. What is the term used to describe a temporary partnership between companies to achieve a common objective?
- A. Joint venture
 - B. Merger
 - C. Acquisition
 - D. Franchise
- (2 marks)
15. Identify a description of a person who offers financing in exchange for part ownership.
- A. Franchising partner
 - B. Debt financing
 - C. Equity investor
 - D. Acquiring partner
- (2 marks)
16. Identify a quality considered by commercial banks when lending to an entrepreneur.
- A. Patience
 - B. Passion
 - C. Character
 - D. Perseverance
- (2 marks)
17. Which of the following refers to raising funds from a large number of people through the internet?
- A. Venture funding
 - B. Market funding
 - C. Crowd funding
 - D. Gift funding
- (2 marks)

18. Which of the following is a form of external financing for entrepreneurs?
A. Personal savings
B. Bootstrapping
C. Venture capital
D. Friends and family loans (2 marks)
19. Identify the source of finance that could be used by an entrepreneur who wishes to avoid loss of control.
A. Equity finance
B. Venture capital
C. Debt capital
D. Business angels (2 marks)
20. Choose a factor that technology-driven companies look for in a potential location.
A. Proximity to prospective customers
B. Composition of local labour force
C. Level of business competition
D. Proximity to essential services (2 marks)
21. Identify the act of two or more businesses sharing the same space due to high cost of business premises.
A. Retail stores
B. Outlet centres
C. Co-working
D. Non-traditional (2 marks)
22. Which of the following explains a set of positive attributes that people associate with a firm?
A. Tagline
B. Niche
C. Mapping
D. Brand (2 marks)
23. Identify a way in which the government has enhanced the process of acquiring business licences.
A. Increasing the number of licences
B. Privatising the licencing procedure
C. Initiating online licencing services
D. Withdrawing all business licences (2 marks)
24. Select a strategy that an entrepreneur could use to gain instant credibility of a new brand.
A. Improving customer access
B. Use of online retailers
C. Influencer marketing
D. Initiate mass production (2 marks)
25. Which of the following is a measure that could be instituted to ensure customer satisfaction?
A. Multiple-channel support
B. Many suppliers of inputs
C. Increased customer demand
D. Writing a business plan (2 marks)
26. Which of the following defines the process of setting goals and deciding how to achieve them?
A. Organising
B. Leading
C. Planning
D. Controlling (2 marks)
27. Choose a term that refers to a manager's role of arranging tasks, people and resources to achieve goals.
A. Leading
B. Planning
C. Controlling
D. Organising (2 marks)

28. Identify the role played by top level managers in an organisation.
- A. Implement policies
 - B. Supervise daily activities
 - C. Make long-term plans
 - D. Supervise and coordinate
- (2 marks)
29. Identify a managerial skill that consists of the ability to think analytically and understand the organisation as a whole.
- A. Technical skill
 - B. Human relations
 - C. Conceptual skills
 - D. Interpersonal skill
- (2 marks)
30. Choose the term that explains the process of achieving organisational goals with and through people.
- A. Planning
 - B. Management
 - C. Intrapreneurship
 - D. Leadership
- (2 marks)
31. Identify the skills of a manager that requires proficiency in methods, processes and procedures of a given activity.
- A. Organising skills
 - B. Diagnostic skills
 - C. Conceptual skills
 - D. Technical skills
- (2 marks)
32. Which of the following roles is played by a manager as a figure head?
- A. Monitor the environment
 - B. Opportunity identification
 - C. Representing the organisation
 - D. Disseminating information
- (2 marks)
33. Identify the function of management that deals with hiring, training, compensation and developing human resources.
- A. Recruitment
 - B. Leadership
 - C. Supervision
 - D. Staffing
- (2 marks)
34. Select a function performed by lower-level managers.
- A. Handling routine duties
 - B. Coordination of departments
 - C. Formulation of strategies
 - D. Procedure and policy making
- (2 marks)
35. Which of the following steps is undertaken before incoming mail is opened?
- A. Weighing
 - B. Sorting
 - C. Recording
 - D. Date stamping
- (2 marks)
36. Which of the following terms refers to names and addresses stored on computers to enable quick printing on envelopes?
- A. Postage data
 - B. Processed mail
 - C. Mailing list
 - D. Postage scales
- (2 marks)

37. Choose a technique that could be used to enhance customer support emails.
- A. Automated responses for known issues
 - B. Replying the emails only when necessary
 - C. Deleting and ignoring irritating messages
 - D. Discouraging customers from writing emails
- (2 marks)
38. Identify a problem that could be caused by disorderly filing of office records.
- A. Use of alphabetical filing
 - B. Strict tracking of records
 - C. Complex filing system
 - D. Inability to retrieve records
- (2 marks)
39. Choose the term used to explain the ability to influence employees to pursue goals.
- A. Planning
 - B. Leadership
 - C. Coercive power
 - D. Reward power
- (2 marks)
40. Identify a reason why motivation is important in an organisation.
- A. Increase employee turnover
 - B. Eliminate need for managers
 - C. Reduced resistance to change
 - D. Grievances are likely to increase
- (2 marks)
41. Which of the following could be a guide to recruiting the right employee?
- A. Salary
 - B. Race
 - C. Nationality
 - D. Competence
- (2 marks)
42. Which of the following statements describe the term “job specification”?
- A. Statement of minimum acceptable human qualities necessary to perform a job
 - B. Analysis of a job in order to determine the human resource requirements
 - C. The various specific units of responsibility and authority designated as jobs
 - D. Statement of duties and responsibilities required for a specific job
- (2 marks)
43. Identify a measure that management could use to minimise recruitment and training costs.
- A. Use external sources of recruitment
 - B. Implement employee retention strategies
 - C. Avoid advertisement of vacant posts
 - D. Use lower-level managers to hire workers
- (2 marks)
44. Select a way in which conflict could be prevented in an organisation.
- A. Encouraging competition
 - B. Introduction of change
 - C. Sharing of resources
 - D. Rules and procedures
- (2 marks)
45. Which of the following could be a positive consequence of conflict in an organisation?
- A. Save time and resources in the organisation
 - B. Reveal deeper problems that need to be solved
 - C. Decrease stress and anxiety among employees
 - D. Some employees may leave the organisation
- (2 marks)
46. Select a reason why management should implement health and safety measures in an organisation.
- A. To comply with the law
 - B. Improve management skills
 - C. Ensure punctuality of staff
 - D. Limit number of visitors
- (2 marks)

47. Choose the stage of growth when the firm focuses on managing products efficiently rather than expanding into new areas.
- A. Decline stage
 - B. Maturity stage
 - C. Innovation stage
 - D. Early growth
- (2 marks)
48. Identify a risk that could affect safety at the work place.
- A. Security guards
 - B. Preventive clothing
 - C. Environmental hazards
 - D. Indisciplined employees
- (2 marks)
49. Identify a source of a firm's decline in performance and eventual closure.
- A. Threat of innovative products
 - B. Firm's competitive advantage
 - C. Competitive sales advertising
 - D. Adapting to environmental change
- (2 marks)
50. Which of the following should be the focus of an entrepreneur at the start-up stage of a business life cycle?
- A. Forming Joint-ventures with others
 - B. Automation and outsourcing services
 - C. Adding new products to existing ones
 - D. Establishing a reliable customer base
- (2 marks)
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CAMS LEVEL I

PRINCIPLES OF ENTREPRENEURSHIP AND MANAGEMENT

MONDAY: 21 August 2023. Morning Paper.

Time Allowed: 2 hours.

This paper is made up of fifty (50) Multiple Choice Questions. Answer ALL questions by indicating the letter (A, B, C or D) that represents the correct answer. Each question is allocated two (2) marks. Do NOT write anything on this paper.

1. Which of the following indicates behaviours commonly displayed by successful entrepreneurs?
 - A. Passion, preference, politeness, procreating and popular
 - B. Patience, profiteering, political, popular and politeness
 - C. Passion, perseverance, promotional, planning and professional
 - D. Planning, promotion focus, profiteering, popular and passionate (2 marks)
2. Choose an entrepreneur who duplicates technological innovations in the market.
 - A. Imitative
 - B. Craft
 - C. Fabian
 - D. Innovative (2 marks)
3. Select a set of qualities that describes a good business opportunity.
 - A. Attractive, durable, anchored on product and timeliness
 - B. Attractive, high gains, short cycle and minimal resources
 - C. Durable, abnormal profits, long cycle and unique market
 - D. Anchored on product, profitable, short cycle and timely (2 marks)
4. Which of the following describes a business idea?
 - A. A window of opportunity for start-ups
 - B. A thought that may become an opportunity
 - C. Opportunity that meets customer needs
 - D. A notion for business success (2 marks)
5. Identify the role played by a social entrepreneur in the country.
 - A. Create profitable business
 - B. Engage waste collection
 - C. Use skill for common profit
 - D. Create business for common benefit (2 marks)
6. Which of the following is used by government to promote entrepreneurship?
 - A. Allow business tax
 - B. Support incubation
 - C. Reduce food subsidy
 - D. Apply centralisation (2 marks)
7. Which of the following is a benefit of writing a good business plan?
 - A. Attract competitors
 - B. Sharing resources
 - C. Choose founders
 - D. Attract investors (2 marks)

8. Which of the following is a component of management plan?
A. Financial ratios
B. Working schedule
C. Employees roles
D. Product quality (2 marks)
9. Choose a limitation of a partnership business organisation.
A. Making snap decisions
B. Unlimited liability
C. Sharing of losses
D. Use of skills (2 marks)
10. Choose a factor considered when choosing a business entry option.
A. Climate
B. Politics
C. Cost
D. Rigidity (2 marks)
11. Which of the following describes the process of collecting first-hand information from customers?
A. Census data
B. Primary research
C. Windshield research
D. Industry research (2 marks)
12. Which term is used to describe a form of business arrangement that allows others to use an established brand name?
A. Merger
B. Corporate
C. Venturing
D. Franchising (2 marks)
13. Which of the following refers to a way of avoiding external financing through cost cutting?
A. Crowdfunding
B. Microfinancing
C. Leasing
D. Bootstrapping (2 marks)
14. Choose a characteristic of management.
A. Intangible
B. Limited
C. Regional
D. Individual (2 marks)
15. Which of the following attributes enable a manager to exercise fairness to people?
A. Flexibility
B. Honesty
C. Tactful
D. Impartiality (2 marks)
16. Which of the following is a step in the planning process?
A. Monitoring performance and benchmarking
B. Arranging tasks and other resources
C. Setting goals and how to achieve them
D. Influencing employees to achieve goals (2 marks)

17. Identify the composition of managerial information roles that facilitate them perform their functions.
- A. Figure head, leader and resource allocation
 - B. Entrepreneur, negotiator and resource allocation
 - C. Monitoring, dissemination and spokesperson
 - D. Conflict handler, leader and entrepreneur
- (2 marks)
18. Which of the following is a role played by middle level managers?
- A. Providing feedback
 - B. Determining vision
 - C. Setting policies
 - D. Strategic planning
- (2 marks)
19. Choose from the following a strategic level of management in an organisation.
- A. Middle level
 - B. Lower level
 - C. Operational level
 - D. Top level
- (2 marks)
20. Which of the following is a top-level management role in an organisation?
- A. Supervising of staff
 - B. Policy implementation
 - C. Determining the mission
 - D. Operational instructions
- (2 marks)
21. Which of the following shows business behaviour at maturity stage?
- A. Business decline
 - B. Slow growth
 - C. High growth
 - D. Low profits
- (2 marks)
22. Identify a characteristic of innovative entrepreneurs.
- A. Open to new ideas
 - B. Avoid carrying out research
 - C. Fear taking risks
 - D. Last to adopt to change
- (2 marks)
23. Why do entrepreneurs require to generate new ideas?
- A. Increase competition
 - B. Promote business incubation
 - C. Ensure business is legal
 - D. Respond to market needs
- (2 marks)
24. Which of the following terms refer to a technique of stimulating creative ideas through group discussion?
- A. Innovation
 - B. Facilitation
 - C. Brainstorming
 - D. Research
- (2 marks)
25. Identify the component that introduces the contents of a business plan.
- A. Business description
 - B. Executive summary
 - C. Cover page
 - D. Appendix
- (2 marks)

26. Choose a factor that could encourage entrepreneurs to start a sole proprietorship form of business.
- A. Low start-up cost
 - B. No tax charged
 - C. Specialised management
 - D. Unlimited liability
- (2 marks)
27. Which of the following business entry option would be appropriate for an entrepreneur who wishes to maintain business secrets?
- A. Company
 - B. Sole proprietorship
 - C. Franchise
 - D. Partnership
- (2 marks)
28. Why would an entrepreneur prefer a long-term loan over a short-term loan?
- A. No collateral required
 - B. Lower monthly repayments
 - C. Shorter approval procedure
 - D. Easier to qualify for the loan
- (2 marks)
29. Jedida wishes to open a salon. Which of the following factors should she consider while choosing a location for her business?
- A. Nearness to competitors
 - B. Availability of raw materials
 - C. Accessibility to customers
 - D. Nearness to distributors
- (2 marks)
30. Why would distribution channels be used by an entrepreneur as a source of new business ideas?
- A. They are the final consumers of products
 - B. They are familiar with market needs
 - C. They are likely to generate more ideas
 - D. They are under the control of the entrepreneur
- (2 marks)
31. Which of the following is an element of the extended marketing mix?
- A. Plan
 - B. Place
 - C. Profit
 - D. People
- (2 marks)
32. Which of the following is an objective of digital marketing?
- A. Ensure use of technology
 - B. Create brand awareness
 - C. Comply with regulations
 - D. Reduce prices of goods
- (2 marks)
33. In the context of management functions, which of the following statement describes the term 'leading'?
- A. Assigning roles, tasks and responsibilities to employees
 - B. Setting procedures and policies and ways of attaining goals
 - C. Directing and motivating human resources towards a common goal
 - D. Determining strategies required to achieve long-term goals
- (2 marks)
34. The following are tasks undertaken by managers.
- (i) Making routine day to day decisions
 - (ii) Coordinating interdepartmental activities
 - (iii) Determining the organisation's vision and mission
 - (iv) Appointment of staff
 - (v) Solving employees' disputes
 - (vi) Supervising operational employees

- Which of the following set represents tasks performed by lower-level management in an organisation?
- A. (i), (ii), (vi)
 - B. (ii), (iii), (iv)
 - C. (i), (v), (vi)
 - D. (iv), (v), (vi) (2 marks)
35. Which management function ensures that performance of activities compares favourably with plans set for them?
- A. Controlling
 - B. Organising
 - C. Delegation
 - D. Staffing (2 marks)
36. What term refers to the management role of seeking and receiving information from external and internal sources?
- A. Liaison role
 - B. Monitor role
 - C. Spokesperson
 - D. Disseminator (2 marks)
37. Identify an activity that could be undertaken by a manager as a resource allocator.
- A. Negotiating
 - B. Budgeting
 - C. Motivating
 - D. Informing (2 marks)
38. Which of the following is an interpersonal skill of an effective manager?
- A. Active listening
 - B. Goal achievement
 - C. Logical thinking
 - D. Project management (2 marks)
39. Which of the following is a purpose of sorting incoming mail?
- A. Ensure mail is date-stamped
 - B. To ensure efficient opening of mail
 - C. Ensure delivery to the right recipient
 - D. Ensure that it has the correct address (2 marks)
40. Which of the following is an objective of filing business records?
- A. Reduce the number of records stored
 - B. Ensure there are trained filing clerks
 - C. Use of alphabetical classification
 - D. Allow easy retrieval of records (2 marks)
41. Identify the style of leadership that always considers the decisions of a manager to be superior to that of subordinates.
- A. Democratic
 - B. Participative
 - C. Laissez-faire
 - D. Autocratic (2 marks)
42. Which of the following term refers to a desire and willingness of employees to achieve goals?
- A. Orientation
 - B. Discipline
 - C. Motivation
 - D. Delegation (2 marks)

43. Which of the following is included in a job description?
A. Skills and abilities
B. Employee's qualifications
C. Emotional attributes
D. Tasks and responsibilities (2 marks)
44. Choose from the following a benefit that could accrue to an organisation from hiring competent employees?
A. Reduce safety risks and hazards
B. Enhance level of labour turnover
C. Increase time needed for orientation
D. Increase time taken to perform tasks (2 marks)
45. Identify the stage in a business growth when cash flow is likely to be negative.
A. Stabilisation
B. Start-up
C. Maturity
D. Growth (2 marks)
46. Which is the first step in staff recruitment?
A. Job application
B. Job advertisement
C. Job specification
D. Vacancy identification (2 marks)
47. Which of the following is an advantage of delegation of authority?
A. Enhance staff development
B. Increases layers of management
C. Increases competition for resources
D. Allows centralisation of power (2 marks)
48. What method of conflict management involves putting the needs of the other party ahead and letting them have their way?
A. Avoidance
B. Accommodating
C. Collaborating
D. Compromising (2 marks)
49. Which is the first statutory requirement while setting up a business?
A. Acquiring a tax PIN
B. Registering a business name
C. Acquiring a business permit
D. Fire safety certification (2 marks)
50. Which of the following is a risk to health and safety of employees at the work place?
A. Wet floor
B. Manned gate
C. Unlocked door
D. Fire extinguishers (2 marks)
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CAMS LEVEL I

PRINCIPLES OF ENTREPRENEURSHIP AND MANAGEMENT

MONDAY: 24 April 2023. Morning Paper.

Time Allowed: 2 hours.

This paper is made up of fifty (50) Multiple Choice Questions. Answer ALL the questions by indicating the letter (A, B, C OR D) that represents the correct answer. Each question is allocated two (2) marks. Do NOT write anything on this paper.

1. Which of the following is a role played by entrepreneurs in your country?
 - A. Increase level of dependence
 - B. Enhance level of unemployment
 - C. Reduce foreign exchange
 - D. Provide government revenue(2 marks)
2. Which of the following could inhibit the development of an entrepreneurial culture?
 - A. Low cost of production
 - B. Government support
 - C. Business incubation
 - D. Restrictive customs(2 marks)
3. Which of the following is a characteristic of drone entrepreneurs?
 - A. They like to buy ongoing businesses
 - B. Engage in research and innovative activities
 - C. Not ready to make changes in production methods
 - D. Have confidence in their inborn ability and talent(2 marks)
4. Which of the following is an advantage of venturing into business over seeking salaried employment?
 - A. More job satisfaction
 - B. Less responsibilities
 - C. Reduced decision-making
 - D. Certainty of earning income(2 marks)
5. From the following options, select the method used to promote intrapreneurship in business organisations.
 - A. Apply a rigid organisations structure
 - B. Observe strict compliance in operations
 - C. Apply firm budgetary rules and regulations
 - D. Allow freedom when executing duties(2 marks)
6. Which of the following statements explains the role played by social entrepreneurs?
 - A. Encourage firms generate super profits
 - B. Mobilise people to solve their problems
 - C. Provide services on a short-term contract
 - D. Give long-term service to private firms(2 marks)
7. Which component of the business plan describes the pricing strategy of a business?
 - A. Production plan
 - B. Financial plan
 - C. Marketing plan
 - D. Operational plan(2 marks)

8. The following information is included in a business plan:

- (i) Methods of product promotion
- (ii) Business location
- (iii) Background of the owner
- (iv) Key personnel
- (v) Production process
- (vi) Products and services

Which of the following set represents information included in the business description section of a business plan.

- A. (i), (iii), (iv)
- B. (ii), (iii), (vi)
- C. (iv), (v), (vi)
- D. (iii), (v), (vi)

(2 marks)

9. Which of the following is a disadvantage of running a partnership business?

- A. Partners can personally be sued for business debts
- B. There are complex legal formalities involved
- C. There is sharing of risks among the partners
- D. Partners have no direct control over the business

(2 marks)

10. Which of the following is a benefit that could accrue to a franchisee from a franchising arrangement?

- A. Freedom of operation
- B. More control of business
- C. Reduced chances of failure
- D. There is room for creativity

(2 marks)

11. Which of the following is a challenge associated with business inheritance?

- A. Poor location
- B. Lack of space
- C. Lack of license
- D. Family rivalries

(2 marks)

12. The following are sources of business finance:

- (i) Business angels
- (ii) Debentures
- (iii) Microfinance funding
- (iv) Share capital
- (v) Personal finance
- (vi) Bank overdraft

Which of the following set represents sources of debt capital?

- A. (ii), (iii), (vi)
- B. (i), (iv), (vi)
- C. (ii), (iv), (v)
- D. (iii), (iv), (vi)

(2 marks)

13. Choose among the following a factor that an entrepreneur could consider while choosing a source of finance.

- A. Competition
- B. Cost
- C. Durability
- D. Market

(2 marks)

14. Which of the following is a statutory requirement for all businesses?

- A. Adequate capital
- B. Skilled employees
- C. Business permit
- D. Business plan

(2 marks)

15. Choose a method that government uses to promote entrepreneurship in the country.

- A. Enforcing inhibiting business regulations
- B. Restricting the movement of goods
- C. Importation of goods in the country
- D. Allowing an enabling business environment

(2 marks)

16. Which one of the following is the reason why entrepreneurs get into partnership form of business ownership?
A. To increase prices of the products
B. To benefit from business closure
C. To generate more business capital
D. To get higher business share value (2 marks)
17. Which of the following could hinder the ability to recognise a business opportunity?
A. Prior business experience
B. Business social networks
C. Entrepreneurial awareness
D. Inability to solve problems (2 marks)
18. Which one of the following is a benefit of brainstorming as a method of generating business ideas?
A. Many ideas are generated
B. Participants are criticised
C. Complex analytical reasoning
D. Moderator exercises partiality (2 marks)
19. Which among the following is a factor that distinguishes a partnership from sole proprietorship business?
A. Perpetual continuity
B. Unlimited liability
C. Limited owner's control
D. Shared responsibilities (2 marks)
20. Which among the following is a benefit obtained by an entrepreneur who buys an ongoing business?
A. Ease of implementing change
B. Valuing stock acquired by owner
C. Fixed location for the business
D. Established customers in business (2 marks)
21. Which one of the following is the benefit of obtaining capital from a venture capitalist?
A. Low profitability and low returns
B. An average working capital
C. Slow growth in the industry
D. Strong management support (2 marks)
22. Choose the term that refers to money provided by professionals in exchange for equity.
A. Loan capital
B. Crowd funding
C. Venture capital
D. Seed capital (2 marks)
23. Why is management important in any business organisation?
A. Act as the link between employees and trade unions
B. Ensure plans are not changed before implementation
C. Maintain stability of operations in the organisation
D. Limit the resources required by staff to accomplish goals (2 marks)
24. Which statement describes the activity involved in the leading function?
A. Evaluating performance
B. Allocating resources
C. Influencing people
D. Managing finances (2 marks)
25. Choose among the following, a strategy used by managers to retain customers.
A. Enhancing competition
B. Imitating services
C. Increased engagement
D. Product description (2 marks)

26. Choose among the following, the statement describing the function of a cross-functional team.
- A. Eliminate production strategies
 - B. Operational scheduling
 - C. Pursue a common objective
 - D. Analyse the job descriptions
- (2 marks)
27. Which of the following is a disadvantage of compromising method of conflict management?
- A. Prolonged dispute
 - B. Reduces hostility
 - C. Escalates disagreement
 - D. Undermines quality
- (2 marks)
28. Which of the following statement could provide information for writing a job description?
- A. Current employees holding the job
 - B. Advertisement of a vacant position
 - C. The top achiever in the organisation
 - D. Business reports and correspondence
- (2 marks)
29. Which one of the following is the common experience of a business at the maturity stage?
- A. A business experiences a decline
 - B. A business experiences sales growth
 - C. A business experiences slow growth
 - D. A business experiences low profit
- (2 marks)
30. Choose the first stage in the rational decision making.
- A. State the problem
 - B. Identify the problem
 - C. Evaluate a problem
 - D. Examine a problem
- (2 marks)
31. Choose a factor that an entrepreneur could consider while choosing a business location.
- A. Space for expansion
 - B. High competition
 - C. Business cycle
 - D. Cost of credit
- (2 marks)
32. In the context of marketing mix, which of the following role is a played by distribution channels?
- A. Production
 - B. Consumption
 - C. Transportation
 - D. Financing
- (2 marks)
33. Which of the following makes up the 4Ps of the marketing mix?
- A. Price, People, place, profit
 - B. Place, product, profit, promotion
 - C. People, promotion, price, processes
 - D. Promotion, place, price, product
- (2 marks)
34. Why does a manager require interpersonal skills?
- A. To operate machines
 - B. To motivate others
 - C. To establish structures
 - D. For office operations
- (2 marks)
35. Which of the following represents informational roles of a manager?
- A. Figurehead, spokesman and liaison
 - B. Figurehead, liaison and leader
 - C. Negotiator, entrepreneur and monitor
 - D. Monitor, disseminator and spokesman
- (2 marks)

36. Why is it important for the mailing clerk to check outgoing mail before dispatch?
A. Ensure mail is up to date
B. Ensure mail is properly filed
C. Confirm enclosure are attached
D. Stamp the mail with date and time (2 marks)
37. Which of the following determines postage charged on outgoing mail?
A. Recipient
B. Sender
C. Cost of stamp
D. Destination (2 marks)
38. Identify the role of using emails in customer service?
A. Provide customer support
B. Sending internal communication
C. Communicating business secrets
D. Discourage customer engagement (2 marks)
39. Which one of the following term refers to the process of finding or locating old data, documents or records?
A. Records retrieval
B. Filing of records
C. Records management
D. Electronic filing (2 marks)
40. Which of the following is a method that could be used to capture electronic data for filing?
A. Printing
B. Scanning
C. Sending
D. Duplication (2 marks)
41. Identify a mistake that could lead to poor hiring decisions in an organisation.
A. High percentage of staff turn-over
B. Lack of adequate leadership talent
C. Failure to encourage creativity by staff
D. Lack of evidence-based selection process (2 marks)
42. Which of the following could be a source of employee motivation?
A. Job analysis
B. Pay discrimination
C. Job enlargement
D. Employee discipline (2 marks)
43. Which of the following is a benefit of effectively managing organisational conflict?
A. Employee retention
B. Helps in self-defense
C. Allows quick victory
D. Strained work relations (2 marks)
44. Why should an organisation institute sound health and safety measures?
A. Monitor employees' health
B. Identify risks and hazards
C. Ensure the gate is manned
D. Eliminate sick employees (2 marks)
45. Identify the function of top-level management in an organisation.
A. Supervise workers
B. Setting service lines
C. Allocation of duties
D. Set strategic goals (2 marks)

46. Which of the following type of leadership could encourage creativity in an organisation?
A. Autocratic
B. Laissez-faire
C. Monocratic
D. Tyrannical (2 marks)
47. Choose a statement that explains the stabilisation stage of a business life cycle.
A. Involves expansion
B. Involves retrenchment
C. Involves mergers
D. Involves no change (2 marks)
48. Identify a reason why control is needed in an organisation.
A. To discover errors
B. To eliminate work
C. To check finances
D. To break rules (2 marks)
49. Which of the following is part of the organising function of management?
A. Forecasting
B. Coordination
C. Motivation
D. Monitoring (2 marks)
50. Identify a role performed by a supervisor in an organisation.
A. Assign tasks and responsibilities
B. Coordinate work of departments
C. Setting overall organisation goals
D. Appointment and transfer of staff (2 marks)
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CAMS LEVEL I

PRINCIPLES OF ENTREPRENEURSHIP AND MANAGEMENT

MONDAY: 5 December 2022. Morning Paper.

Time Allowed: 2 hours.

This paper is made up of fifty (50) Multiple Choice Questions. Answer ALL the questions by indicating the letter (A, B, C OR D) that represents the correct answer. Do NOT write anything on this paper.

1. Which type of entrepreneur adopts to change only when it is important for survival?
A. Drone
B. Imitative
C. Fabian
D. Innovative (2 marks)
2. Select the statement that describes an intrapreneur.
A. A person who detects an untapped opportunity to make own income
B. A person who buys products at a certain price with a view to sell them at a higher price
C. An individual who brings factors of production together to start a business
D. An employee who uses entrepreneurial skills to generate profit for the venture (2 marks)
3. Which of the following is a role of entrepreneurship in economic development?
A. Reduce the level of exports in the country
B. Promote balanced regional growth
C. Formulating favourable regulations
D. Providing an enabling environment (2 marks)
4. Choose a benefit attained by a country with high levels of entrepreneurial activity.
A. High levels of business formation
B. High levels of cyclical unemployment
C. High levels of business opportunities
D. High levels of government intervention (2 marks)
5. Which of the following is a characteristic of an executive summary in a business plan?
A. Summarises every chapter in the business plan.
B. Prepared first before all other components
C. Summarises the content of a marketing plan
D. Appears on the cover page of a business plan (2 marks)
6. Which of the following is a role of business incubation?
A. Generate business idea
B. Controlling business ideas
C. Enhance business success
D. Lower business capacity (2 marks)
7. Select the set of qualities that describes a good business opportunity.
A. Attractive, high gains, short cycle and minimal resources
B. Durable, abnormal profits, long cycle and unique market
C. Anchored on product, profitable, short cycle and timely
D. Attractive, durable, anchored on product and timely (2 marks)

8. Choose the statement that describes a business idea.
- A. A thought or impression that may or may not become an opportunity
 - B. A window of opportunity that meets the criteria for start-up
 - C. An opportunity that meets the needs and demands of customers
 - D. A notion containing factors that contribute to business success
- (2 marks)
9. Which business entry option could provide an entrepreneur exclusive rights to operate within a certain geographical region?
- A. Franchise
 - B. Sole proprietorship
 - C. Company
 - D. Joint venture
- (2 marks)
10. Which of the following is a benefit of buying an existing business?
- A. Enables partnering with existing owners
 - B. Helps to avoid challenges of running a business
 - C. Allows easy implementation of changes and innovation
 - D. Facilitates evaluation of business performance
- (2 marks)
11. Which of the following activity could an entrepreneur undertake before choosing a market entry strategy?
- A. Acquire finances
 - B. Sales promotion
 - C. Product distribution
 - D. Market research
- (2 marks)
12. Select an advantage of running a sole proprietorship business.
- A. It is not easy to dissolve after registering
 - B. It is very expensive to create the business
 - C. Owner maintains complete control of it
 - D. The losses are redistributed by the owner
- (2 marks)
13. What term is used to refer to collecting and analysing first hand data for decision making?
- A. Customer surveys
 - B. Primary research
 - C. Windshield research
 - D. Industry research
- (2 marks)
14. Which of the following is a source of short-term finance?
- A. Share capital
 - B. Equity finance
 - C. Trade credit
 - D. Debentures
- (2 marks)
15. Which of the following explains the meaning of retained earnings?
- A. Unpaid interest
 - B. Profits earned
 - C. Undistributed dividends
 - D. Income from investment
- (2 marks)
16. Identify a service provided by microfinance institutions.
- A. Business appraisal
 - B. Savings and credit
 - C. Business registration
 - D. Business identity
- (2 marks)

17. Identify a factor that venture capitalists could consider before investing in a business.
- A. Low profitability and low returns
 - B. An average working capital
 - C. Slow growth in the industry
 - D. Strong management team
- (2 marks)
18. Why is it important for an entrepreneur to choose a suitable business location?
- A. Identify customer needs
 - B. Market proximity
 - C. Allow faster production
 - D. Reduce distribution of goods
- (2 marks)
19. Which of the following increases customer engagement with a business?
- A. Customer analysis
 - B. Selling quality products
 - C. Use of technology
 - D. Hiring competent employees
- (2 marks)
20. Choose the benefit realised by embracing social media marketing.
- A. The ability to obtain marketing financing
 - B. The ability to market business at low cost
 - C. The ability to borrow at low rates of interest
 - D. The ability to make market differentiation
- (2 marks)
21. What name is given to a person who accomplishes objectives by directing the efforts of other people?
- A. Manager
 - B. Entrepreneur
 - C. Intrapreneur
 - D. Director
- (2 marks)
22. Which management function involves putting together required resources in order to execute plans?
- A. Planning
 - B. Controlling
 - C. Staffing
 - D. Organising
- (2 marks)
23. Which of the following is an interpersonal role of a manager?
- A. Monitoring role
 - B. Spokesperson role
 - C. Negotiation role
 - D. Liaison role
- (2 marks)
24. Identify a way in which a manager performs the leading function in an organisation.
- A. Tasks and resources allocation
 - B. Monitoring and evaluating performance
 - C. Setting long and short-term goals
 - D. Motivating and influencing people
- (2 marks)
25. Which of the following is an objective of planning in the management process.
- A. To ensure rational allocation of resources
 - B. To ensure quality control and assurance
 - C. To ensure the use of accurate standards
 - D. To ensure improvement is a priority
- (2 marks)

26. Choose the role played by the top-level management in an organisation.
- A. Design and implement policies
 - B. Set organisation schedules
 - C. Allocate operational resources
 - D. Formulate strategic goals
- (2 marks)
27. Which statement explains the meaning of leading as a function of management?
- A. Responding to problems
 - B. Influencing behaviour
 - C. Forecasting future actions
 - D. Mobilising resources
- (2 marks)
28. Which level of management is directly responsible to shareholders of a company?
- A. Supervisory level
 - B. Middle level
 - C. Top level
 - D. Executory level
- (2 marks)
29. Which statement describes a job-specific knowledge needed to perform well in a specialised field?
- A. Conceptual skills
 - B. Technical skills
 - C. Interpersonal roles
 - D. Decisional roles
- (2 marks)
30. Choose the first stage in the rational decision making.
- A. State the problem
 - B. Identify the problem
 - C. Evaluate a problem
 - D. Examine a problem
- (2 marks)
31. Which skills should a manager have to be able to deal objectively and fairly with subordinates?
- A. Communication
 - B. Delegation
 - C. Technical
 - D. Interpersonal
- (2 marks)
32. What term is used to refer to a projected course of action?
- A. Decision
 - B. Alternative
 - C. Report
 - D. Plan
- (2 marks)
33. Which skills does a manager require to understand the overall working of the organisation and its environment?
- A. Strategic thinking skills
 - B. Leadership skills
 - C. Conceptual skills
 - D. Directing skills
- (2 marks)
34. Why is a retention policy important in ensuring a good filing system?
- A. To prevent unauthorised access
 - B. Ensure it is simple to understand
 - C. Ensure removal of outdated records
 - D. Ensure the system is capable of expansion
- (2 marks)

35. The following steps are involved in handling mail.

- (i) Distribution
- (ii) Receiving
- (iii) Storage
- (iv) Recording
- (v) Sorting

Which of the following represents the correct order of handling incoming mail?

- A. (ii), (v), (iv), (i), (iii)
- B. (i), (ii), (iv), (v), (iii)
- C. (ii), (iv), (v), (i), (iii)
- D. (iii), (ii), (i), (v), (iv)

(2 marks)

36. Which of the following is an advantage of microfilming as a method of storing information?

- A. Saves on space
- B. Easy to make corrections
- C. Fast retrieval
- D. It is minimised

(2 marks)

37. Which of the following could lead to inefficient filing?

- A. Use of electronic filing
- B. Not allowing access to everyone
- C. Regular filing of documents
- D. Inappropriate classification

(2 marks)

38. Select the characteristic exhibited by a democratic leader.

- A. Increases resistance to change
- B. Long channels of communication
- C. Decentralisation of authority
- D. Utilises downward communication

(2 marks)

39. Which statement describes the meaning of job analysis in management?

- A. Minimum qualifications a person must have to perform the job successfully
- B. To determine by examining and observing the basic elements of a job
- C. To draw an effective organisation structure for the organisation
- D. Minimum academic requirements to perform a specific technical job

(2 marks)

40. Which of the following is an advantage of internal recruitment in an organisation?

- A. It inspires and motivates employees within the organisation
- B. It gives the organisation a competitive advantage
- C. It enhances the reputation of the organisation
- D. It provides the required returns on human capital

(2 marks)

41. Choose a conflict handling style that provides solutions that benefit all parties.

- A. Accommodating
- B. Collaborating
- C. Compromising
- D. Dominating

(2 marks)

42. Which of the following could contain a job description and a job specification?

- A. Application for a specialised job
- B. Advertisement of a vacant position
- C. Curriculum Vitae of a job applicant
- D. Invitation to an employment interview

(2 marks)

43. Which of the following is a responsibility of an employee with relation to health and safety issues?
A. Create and distribute a health and safety policy
B. Provide a safe working environment
C. Make proper use of tools and machinery
D. Provide training on health and safety issues (2 marks)
44. Which of the following could affect employee retention in an organisation?
A. Number of employees
B. Size of organisation
C. Leadership style
D. Levels of management (2 marks)
45. What is the purpose of holding job interviews?
A. Selection of right employees
B. Orientation of new employees
C. Presenting certificates and testimonials
D. Human resource planning (2 marks)
46. Choose the statement that represents a growth strategy in a competitive business.
A. Expanding into new products and services
B. Changing the ongoing business strategy
C. Engaging in a rationalisation process
D. Phasing out some of product lines (2 marks)
47. Which of the following occurs at the stabilisation stage of a business life cycle?
A. Business expansion
B. Employee retrenchment.
C. Business mergers
D. Constant sales (2 marks)
48. Which of the following is a demerit of a rapid growth in business?
A. Reduced product quality
B. Over-stretched staff
C. Market saturation
D. Constant productivity (2 marks)
49. Which of the following could be experienced at the maturity stage of a business life cycle?
A. Business decline
B. Sales growth
C. Slow growth
D. Low profit (2 marks)
50. At which stage of growth does a business experience negative cash flow?
A. Idea generation stage
B. Start-up stage
C. Stabilisation stage
D. Innovation stage (2 marks)
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CAMS LEVEL I

PRINCIPLES OF ENTREPRENEURSHIP AND MANAGEMENT

MONDAY: 1 August 2022. Morning paper.

Time Allowed: 2 hours.

This paper is made up of fifty (50) Multiple Choice Questions. Answer ALL the questions by indicating the letter (A, B, C or D) that represents the correct answer. Do NOT write anything on this paper.

1. What name is given to the type of entrepreneurship that involves identifying a promising business and taking the initiative to acquire it?
A. Researcher
B. Hustler
C. Buyer
D. Innovative (2 mark)
2. _____ is an indicator of a good business idea.
A. High competition
B. Good market scope
C. More resource requirement
D. High government revenue (2 mark)
3. What is the name given to the process of building a business with minimal or no extra capital?
A. Informal financing
B. Micro financing
C. Bootstrapping
D. Crowd funding (2 mark)
4. Which of the following is **NOT** a factor that an entrepreneur could consider while choosing a business location?
A. Entrepreneur's skills
B. Security
C. Potential for growth
D. Accessibility (2 marks)
5. Intrapreneurship also refers to _____?
A. Corporate entrepreneurship
B. Internal entrepreneurship
C. Business entrepreneurship
D. Innovative entrepreneurship (2 marks)
6. Which one of the following is a challenge faced by entrepreneurs in your country.
A. Low interest rates
B. Unregulated competition
C. Supportive government policies
D. Lack of employment (2 marks)
7. _____ is a method of generating new ideas using suggested problems of known products.
A. Brainstorming problems
B. Focus groups problem solving method
C. Creative problem solving
D. Problem inventory analysis (2 marks)

8. Why would an entrepreneur opt to buy an existing business instead of starting a new one?
- A. Lower cost of starting a business
 - B. Ability to introduce a new product
 - C. Established relationship with suppliers
 - D. Support is assured by previous owners
- (2 marks)
9. Which of the following is a limitation of equity finance?
- A. Loss of control
 - B. Lack of credit worthiness
 - C. Money has to be repaid back
 - D. High interest rates
- (2 marks)
10. What term is used to refer to all permits and licences that one must obtain before being allowed to operate a business in your country?
- A. Government requirements
 - B. Statutory requirements
 - C. Government policy
 - D. Business requirements
- (2 marks)
11. Which of the following statements is **NOT** true about an entrepreneur?
- A. Is a catalyst of economic change.
 - B. Identifies a business opportunity.
 - C. Takes calculated risks.
 - D. Success depends on luck.
- (2 marks)
12. Which of the following is **NOT** a factor to consider while choosing a business incubator?
- A. Success rate.
 - B. Quality of services.
 - C. Availability of market.
 - D. Policies and procedures.
- (2 marks)
13. The following are the benefits that a franchisee gains from a franchisor **EXCEPT?**
- A. Training.
 - B. Brand name.
 - C. Product or service.
 - D. Profit guarantee.
- (2 marks)
14. Venture capital is a source of _____ finance.
- A. Debt
 - B. Equity
 - C. Personal
 - D. Micro
- (2 marks)
15. Which of the following is **NOT** a reason for ensuring customer satisfaction?
- A. Customer attraction
 - B. Customer experience
 - C. Customer retention
 - D. Customers to do one time purchase
- (2 marks)
16. Which of the following statements is **TRUE** about an imitating entrepreneur?
- A. They learn from mistakes of others to make their products and services better
 - B. They start small and grow their business with hard work rather than capital
 - C. They do as much research as possible before launching a product or service in the market
 - D. They constantly come up with new ideas and turn them into profitable ventures
- (2 marks)
17. Why is it important to carry out competitors' analysis while writing a business plan?
- A. To evaluate the size of their businesses
 - B. To know what kind of product they sell
 - C. To determine their tastes and preferences
 - D. To determine their strengths and weaknesses
- (2 marks)

18. _____ is a person who initiates, creates and manages a new business.
- A. A leader
 - B. A professional
 - C. An entrepreneur
 - D. A manager
- (2 marks)
19. Which type of entrepreneur utilises a chance to introduce a new technique or a new product?
- A. Fabian entrepreneurs
 - B. Innovative entrepreneurs
 - C. Researchers
 - D. Businessmen
- (2 marks)
20. Which of the following behaviour, is not associated with successful entrepreneur?
- A. Continuous innovation and urgency
 - B. Production as per customers' requirements
 - C. Research and development
 - D. Running the business without planning
- (2 marks)
21. Which of the following is **NOT** a source of ideas for an entrepreneur?
- A. Imported products
 - B. Emerging technologies
 - C. Cost of the project
 - D. Product profile
- (2 marks)
22. A business plan is important for all of the following reasons **EXCEPT**?
- A. It enables the business owners to systematically think through each aspect of the new venture.
 - B. It gives an assurance to lenders and investors that they will earn a decent return.
 - C. It is a selling document that enables a company to present itself to potential suppliers and business partners.
 - D. It provides an investor with something to react to
- (2 marks)
23. Which of the following is **NOT** a characteristic of entrepreneur?
- A. Managerial training
 - B. Creativity
 - C. Innovation
 - D. Risk taking
- (2 marks)
24. Which of the following statements **BEST** describes the term leadership?
- A. Managing human resources
 - B. Monitoring performance
 - C. Getting things done through people
 - D. Influencing the behavior of others
- (2 marks)
25. What stages of the business life cycle are sales the lowest?
- A. Innovation
 - B. Stabilisation
 - C. Idea generation
 - D. Start-up
- (2 marks)
26. What name is given to the role of a manager that involves dealing with people outside the organisation?
- A. Monitor role
 - B. Entrepreneurial role
 - C. Liaison role
 - D. Figurehead role
- (2 marks)
27. Identify the **MAIN** reason why planning is important in an organisation.
- A. Helps in specialisation
 - B. Defines the organisation structure
 - C. Gives a sense of direction
 - D. Helps in training new employees
- (2 marks)

28. Which level of management makes up the smallest group of managers in an organisation?
A. Top level
B. Middle level
C. Intermediate level
D. Lower level (2 marks)
29. Which management skills would a manager require **MOST** while resolving conflict among employees?
A. Conceptual skills
B. Interpersonal skills
C. Strategic thinking skills
D. Delegation skills (2 marks)
30. Identify the **MAIN** challenge that an organisation could face in the process of recruiting suitable employees?
A. Inability to attract the right candidates
B. Inappropriate media to advertise vacancies
C. Lack of an interview panel
D. Failure to induct employees (2 marks)
31. Which of the following is a purpose of the organising function of management?
A. Facilitate coordination
B. Set goals
C. Performance appraisal
D. Motivate staff (2 marks)
32. Who among the following is **NOT** an operational level manager?
A. Foreman
B. Supervisor
C. Chief Executive Officer
D. Superintendent (2 marks)
33. Identify the skills a manager would require to choose amongst alternative courses of action.
A. Leadership skills
B. Communication skills
C. Operating skills
D. Decision-making skills (2 marks)
34. Which of the following is not a challenge for an entrepreneur?
A. Choosing the product or service to sell in the market
B. Managing the cash flow of their business
C. Recruiting new employees
D. Formulating rules and regulations relating to conducting entrepreneurship in their country (2 marks)
35. Who should prepare a firm's business plan?
A. Entrepreneur
B. Accountant
C. Engineer
D. Marketer (2 marks)
36. What is the name given to the process of creating something new?
A. Management
B. Business
C. Creative flexibility
D. Innovation (2 marks)
37. What is the purpose of a feasibility study while preparing to start a new venture?
A. Estimate sales
B. Exploring for potential customers
C. To understand if there are any barriers to success
D. To market the products (2 marks)

38. What are the three interpersonal roles of managers?
A. Figurehead, organiser and spokesman
B. Communicator, organiser and spokesman
C. Director, coordinator and disseminator
D. Spokesman, leader and coordinator (2 marks)
39. Which of the following is **NOT** a recognised skill of management?
A. Technical skills
B. Writing skills
C. Conceptual skills
D. Human skills (2 marks)
40. What is the name given to the management function that involves determining whether the quality of work is up to standard?
A. Leading
B. Controlling
C. Organising
D. Planning (2 marks)
41. When would cross referencing be important while filing office documents?
A. When there are so many records to be filed.
B. In case documents require frequent retrieval
C. To keep documents away from unauthorised users
D. In case a document can be filed under more than one heading (2 marks)
42. The following are components of a job description and a job specification:
(i) Job title
(ii) Working environment
(iii) Education and training
(iv) Tasks to be performed
(v) Skills
(vi) Personality
- Which of the following sets relate to a job specification?
A. (ii), (v), (vi)
B. (iii), (v), (vi)
C. (i), (iii), (v)
D. (i), (ii), (iv) (2 marks)
43. Management skills applies to managers at which level?
A. All levels in an organisation
B. Top level in an organisation
C. Executive level in an organisation
D. Middle level in an organisation (2 marks)
44. Which management function entails grouping of jobs?
A. Controlling
B. Planning
C. Organising
D. Directing (2 marks)
45. Which type of decision making is carried out by lower level management and deals with specific daily tasks?
A. Mid-level decision making
B. Administrative decision making
C. Operational decision making
D. Programmed decision making (2 marks)
46. What is the goal of an entrepreneur during the start-up stage of a business lifecycle?
A. Enhance competitive edge
B. Growth
C. Survive
D. Enhance reputation (2 marks)

47. Which of the following is a benefit of electronic filing systems?
A. Viruses can attack the computer
B. Staff training is needed
C. Staff need specialised training to use the system
D. It reduces the number of staff that must be hired to manage records (2 marks)
48. Which of the following is not an important aspect of employee involvement?
A. Employee empowerment
B. Teamwork
C. Keeping employee morale down
D. Employee motivation (2 marks)
49. Which of the following is a positive outcome of conflict?
A. Stimulates creativity
B. Strains relationships
C. Promotes resistance
D. Encourages poor performance (2 marks)
50. Which of the following is **NOT** an intervention that management could put in place to prevent health related issues in an organisation?
A. Proper furniture
B. Adequate stationery
C. Ventilation
D. Noise control (2 marks)
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CAMS LEVEL I

PRINCIPLES OF ENTREPRENEURSHIP AND MANAGEMENT

MONDAY: 4 April 2022. Morning paper.

Time Allowed: 3 hours.

This paper is made up of a hundred (100) Multiple Choice Questions. Answer ALL the questions by indicating the letter (a, b, c or d) that represents the correct answer. Do NOT write anything on this paper.

1. Which of the following is a challenge that an entrepreneur could encounter as a result of venturing into business?
 - (a) Low competition.
 - (b) Uncertainty of income.
 - (c) Unlimited profits.
 - (d) Self-employment.(1 mark)

2. Which of the following statements **BEST** describes the term “business opportunity”?
 - (a) Situation which can be translated to a business activity.
 - (b) Business activity that already exists in the market.
 - (c) A well-established business that generates large profits.
 - (d) A business that attracts many customers.(1 mark)

3. Identify a reason why an entrepreneur could choose a partnership as a business entry option.
 - (a) High profits.
 - (b) Fast decision-making.
 - (c) Separate legal entity.
 - (d) Share of risks.(1 mark)

4. What term is used to refer to the personal investment of owners in a business?
 - (a) Profits.
 - (b) Equity.
 - (c) Venture capital.
 - (d) Informal capital.(1 mark)

5. Which of the following is **NOT** a legal requirement for entrepreneurs?
 - (a) Trade licence.
 - (b) Tax compliance.
 - (c) Infrastructure.
 - (d) Environmental requirements.(1 mark)

6. Which of the following sentences **BEST** explains a characteristic of Fabian entrepreneurs?
 - (a) Imitate technology and techniques innovated by others.
 - (b) Start a business using their acquired skills.
 - (c) Are not interested in growing their business.
 - (d) Do not show initiative in implementing new ideas.(1 mark)

7. Why do entrepreneurs require to generate new ideas?
 - (a) Comply with government policy.
 - (b) Ensure availability of resources.
 - (c) Improve their skills.
 - (d) Products have a limited life cycle.(1 mark)

8. Identify one challenge associated with buying an existing business.
(a) The business may be overpriced.
(b) Lack of experienced employees.
(c) Previous owners may interfere with the business.
(d) It is difficult to retain customers. (1 mark)
9. What do you call wealthy individuals who provide capital to business start-ups in return for part ownership?
(a) Business incubators.
(b) Business partners.
(c) Debt financiers.
(d) Business angels. (1 mark)
10. Which element of the marketing mix refers to the distribution channels used to reach the market?
(a) People.
(b) Processes.
(c) Place.
(d) Promotion. (1 mark)
11. What is the **MAIN** benefit of social entrepreneurship to your country?
(a) Wealth creation.
(b) Community development and improvement.
(c) Increasing regional business activities.
(d) Creation of employment. (1 mark)
12. Which of the following is a component of the executive summary of a business plan?
(a) Marketing plan.
(b) Acknowledgement.
(c) Table of contents.
(d) Cover page. (1 mark)
13. What is the best business entry option for an entrepreneur who does not wish to dilute their level of ownership?
(a) Company.
(b) Joint venture.
(c) Partnership.
(d) Sole proprietorship. (1 mark)
14. Which statement **BEST** describes the meaning of crowd funding?
(a) Raising large sums of money from several banks.
(b) Payment of large sums of money to many people online.
(c) Raising small amounts of money from a large number of people online.
(d) Online sending and receiving of money. (1 mark)
15. Which of the following is **NOT** a role of an entrepreneur?
(a) Initiate ideas.
(b) Offer credit.
(c) Mobilise resources.
(d) Make decisions. (1 mark)
16. Which of the following factors is likely to discourage an entrepreneur from entering a franchising arrangement?
(a) Lack of customer awareness.
(b) Less freedom.
(c) Standardised operations.
(d) Use of franchisor's brand name. (1 mark)
17. What is the role of government in promoting entrepreneurial culture in your country?
(a) Creation of an enabling environment.
(b) Opening up many businesses.
(c) Generating new ideas.
(d) Acting as a role model. (1 mark)

18. Which component of the business plan contains the goals and objectives of the business?
(a) Business description.
(b) Operations and production plan.
(c) Organisation and management plan.
(d) Mission statement. (1 mark)
19. Identify the form of business ownership option adopted by most entrepreneurs in your country.
(a) Company.
(b) Partnership.
(c) Sole proprietorship.
(d) Franchising. (1 mark)
20. Which of the following **BEST** describes a strategy that an entrepreneur could use to retain customers?
(a) Attractive packaging.
(b) Advertising.
(c) Good customer service.
(d) Good corporate image. (1 mark)
21. Select a factor that could motivate an individual to become an entrepreneur.
(a) Availability of jobs.
(b) Skills in identifying risks.
(c) Desire to work in a big company.
(d) Opportunity to make a difference. (1 mark)
22. Which one of the following is **NOT** a source of business ideas?
(a) Failed projects.
(b) Business plan.
(c) Customer complaints.
(d) Current trends. (1 mark)
23. Identify one factor that may discourage small business owners from using debt to finance their business ventures.
(a) Long repayment period.
(b) Leads to bad image of the business.
(c) Lack of collateral.
(d) Lack of accountability. (1 mark)
24. Which of the following **BEST** describes a study that involves gathering feedback from a sample customer?
(a) Consumer survey.
(b) Customer care.
(c) Questionnaires.
(d) Interview. (1 mark)
25. Which of the following is a type of entrepreneurship?
(a) Selling.
(b) Hustling.
(c) Franchising.
(d) Imitating. (1 mark)
26. Which of the following is **NOT** a major consideration while assessing the viability of a business opportunity?
(a) Return on investment.
(b) Skills.
(c) Infrastructure.
(d) Demand. (1 mark)
27. Which of the following is an objective of sales promotion?
(a) Direct distribution of products.
(b) Increase level of skills.
(c) Reduce number of competitors.
(d) Announce product existence. (1 mark)

28. Identify one factor that is driving the growth of entrepreneurship in your country.
(a) Technological advances.
(b) Dependent lifestyles.
(c) Increase in banking activities.
(d) Cultural blocks. (1 mark)
29. Which of the following is a characteristic of a good business idea?
(a) Requires excessive investment.
(b) Involves high risks.
(c) Has a long gestation period.
(d) Easy to exit when necessary. (1 mark)
30. What is the **BEST** form of business ownership for an entrepreneur who wishes to limit their personal liability?
(a) Partnership.
(b) Company.
(c) Sole proprietorship.
(d) Franchise. (1 mark)
31. The following are sources of debt finance **EXCEPT**:
(a) Personal savings.
(b) Bank loan.
(c) Trade credit.
(d) Debentures. (1 mark)
32. Identify one step undertaken in the process of launching a new product.
(a) Write a business plan.
(b) Contact competitors.
(c) Screen the product.
(d) Conduct testing. (1 mark)
33. Select one advantage of running a small business enterprise from the following:
(a) Easy to control.
(b) Experienced management.
(c) Adequate resources.
(d) Financial stability. (1 mark)
34. What do you call a combination of products offered for sale by a business?
(a) Product line.
(b) Product breadth.
(c) Product depth.
(d) Product mix. (1 mark)
35. Which of the following inhibits growth of entrepreneurship in your country?
(a) White collar jobs.
(b) Corruption.
(c) Government support.
(d) Training. (1 mark)
36. Identify one method of generating business ideas.
(a) Shows and exhibitions.
(b) Focus groups.
(c) Role models.
(d) Innovation. (1 mark)
37. Which of the following is the **MAIN** reason for conducting market research before launching a business?
(a) Establish demand.
(b) Establish supply.
(c) Know your products.
(d) Know your location. (1 mark)

38. Which of the following **BEST** explains the meaning of bootstrapping?
(a) Using limited finances.
(b) Use of borrowed finances.
(c) Using personal finances.
(d) Using finances from many sources. (1 mark)
39. Which of the following strategy could be used by management to manage the rapid growth of an organisation?
(a) Sell part of the business.
(b) Increase cash flow.
(c) Hire competent employees.
(d) Reduce sale promotion. (1 mark)
40. Identify one role played by top management in an organisation.
(a) Train supervisory staff.
(b) Establish policies.
(c) Routine decision making.
(d) Link between other levels of management. (1 mark)
41. The most basic and primary function of management is:
(a) Staffing.
(b) Planning.
(c) Organising.
(d) Co-ordination. (1 mark)
42. What do you call the type of skills a manager requires to perform specialised tasks?
(a) Technical skills.
(b) Problems solving skills.
(c) Conceptual skills.
(d) Work skills. (1 mark)
43. A poor filing system could lead to:
(a) Compactness of documents.
(b) Paperless filing.
(c) Fast data retrieval.
(d) Duplication of documents. (1 mark)
44. Which of the following **BEST** explains the process of inspiring employees to work willingly to achieve the desired goals?
(a) Management.
(b) Directing.
(c) Persuading.
(d) Motivation. (1 mark)
45. Identify one challenge associated with the growth stage of a business life cycle.
(a) Difficulties in attracting staff.
(b) High cost of promoting the business.
(c) Managing cash flows.
(d) Lack of customers. (1 mark)
46. The following are steps in the process of controlling as a management function:
(i) Establish deviation.
(ii) Measure actual performance.
(iii) Set standards.
(iv) Take corrective action.
(v) Compare actual performance with set standards.
- Which of the following represents the correct order of steps of the controlling process?
(a) (ii), (iii), (v), (iv), (i)
(b) (i), (iii), (ii), (v), (iv)
(c) (iii), (ii), (v), (i), (iv)
(d) (iii), (iv), (i), (ii), (v) (1 mark)

47. Decision-making skills of a manager means:
(a) Select the best choice among alternatives.
(b) Direct employees on what to do.
(c) Understand how a variety of factors are related.
(d) Deal effectively with conflict. (1 mark)
48. Identify one step undertaken while handling incoming mail.
(a) Signing.
(b) Folding.
(c) Weighting.
(d) Sorting. (1 mark)
49. Which of the following is **NOT** a method that could be used to manage conflict in an organisation.
(a) Reporting.
(b) Encouraging.
(c) Resolving.
(d) Preventing. (1 mark)
50. Which management function involves influencing the behaviour of employees towards achievement of goals?
(a) Staffing.
(b) Leading.
(c) Disciplining.
(d) Organising. (1 mark)
51. Which title is given to a person who is in charge of and coordinates the activities of a group of employees engaged in related activities within a unit of an organisation?
(a) Vendor.
(b) Employee.
(c) Manager.
(d) Contractor. (1 mark)
52. What is a franking machine?
(a) This machine dampens and seals the flaps of the envelopes.
(b) It is used to weigh the letters, envelopes and packets.
(c) It is hired from a post office to print stamps on letters.
(d) The machine is used for printing addresses on envelopes. (1 mark)
53. The process of arranging and storing records, so that they can be located whenever required is called _____.
(a) Indexing.
(b) Filing.
(c) Noting.
(d) Arranging. (1 mark)
54. In what method of filing is duplication avoided but secrecy cannot be maintained?
(a) Centralised.
(b) Vertical.
(c) Decentralised.
(d) Horizontal. (1 mark)
55. What is defined as a guide to locate the required file?
(a) Filing.
(b) Indexing.
(c) Coding.
(d) Organising. (1 mark)
56. Identify one precaution that a manager could take to ensure safety of employees at the work place.
(a) Install burglar-proof door.
(b) Ensure enough parking space.
(c) Provide employees with uniforms.
(d) Install fire extinguishers. (1 mark)

57. Which department is responsible for recruiting and hiring the right employees in an organisation?
(a) Finance department.
(b) Supply chain management.
(c) Planning and strategy.
(d) Human resource management. (1 mark)
58. Who among the following is a middle level manager?
(a) Chief executive.
(b) Supervisor.
(c) General manager.
(d) Finance manager. (1 mark)
59. Why should in-coming mail be opened with caution?
(a) Ensure safety of enclosures.
(b) Not to damage the envelope.
(c) Ensure efficiency in opening mail.
(d) Safeguard against loss of mail. (1 mark)
60. Which of the following **BEST** describes employees' qualifications and characteristics required to perform a certain job?
(a) Job description.
(b) Job analysis.
(c) Job specification.
(d) Job design. (1 mark)
61. Which of the following is **NOT** a task undertaken in the process of filing business documents?
(a) Indexing.
(b) Retrieving.
(c) Recording.
(d) Duplication. (1 mark)
62. Identify one role played by top level management in an organisation.
(a) Assigning jobs.
(b) Motivation.
(c) Training staff.
(d) Monitoring the environment. (1 mark)
63. What is the **MAIN** reason why big organisations issue gate passes to visitors?
(a) Identification.
(b) Safety.
(c) Recording.
(d) Directing. (1 mark)
64. Why do managers need decision making skills?
(a) Direct employees.
(b) Solve problems.
(c) Enhance control.
(d) Improve efficiency. (1 mark)
65. Which of the following is a step undertaken in the planning process?
(a) Monitoring performance.
(b) Designing jobs.
(c) Forecasting.
(d) Setting up an organisation structure. (1 mark)
66. Lower level management may also be referred to as:
(a) Operational management.
(b) Strategic management.
(c) Tactical management.
(d) Direct management. (1 mark)

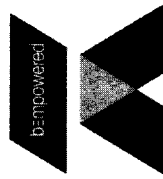
67. Which of the following is a factor that determines the number of levels of management in an organisation?
 (a) Location.
 (b) Size.
 (c) Number of managers.
 (d) Number of branches. (1 mark)
68. Which of the following represents the skills a manager requires to assign authority and responsibilities to employees?
 (a) Leadership.
 (b) Motivation.
 (c) Interpersonal.
 (d) Delegation. (1 mark)
69. Which of the following **BEST** explains why an organisation would choose to operate a decentralised filing system?
 (a) Uniformity of filing procedures.
 (b) Less duplication of files.
 (c) Fast retrieval of documents.
 (d) Improved control. (1 mark)
70. Identify the **MAIN** purpose of good leadership in an organisation.
 (a) Provide direction.
 (b) Expansion of organisation.
 (c) Efficient management.
 (d) Performance appraisal. (1 mark)
71. Which of the following **BEST** explains why departments are important in an organisation?
 (a) Assign managers.
 (b) Manage office space.
 (c) Avoid conflict.
 (d) Specialisation. (1 mark)
72. Which of the following is **NOT** a strategy that could enhance health and safety in an organisation?
 (a) Hiring competent and trained employees.
 (b) Adequate supervision and control.
 (c) Proper personal hygiene.
 (d) Installing fewer machines. (1 mark)
73. At which level of management in an organisation would strategic thinking skills be **MOST** required?
 (a) Middle level.
 (b) Top level.
 (c) Lower level.
 (d) Supervisory level. (1 mark)
74. With reference to management functions, identify one step in the organising process.
 (a) Division of work.
 (b) Setting objectives.
 (c) Budgeting.
 (d) Motivating staff. (1 mark)
75. Which of the following may **NOT** be a consequence of conflict in an organisation?
 (a) Hostility.
 (b) Withdrawal.
 (c) Competition.
 (d) Motivation. (1 mark)
76. Which of the following is a procedure undertaken for both outgoing and incoming mail in an organisation?
 (a) Posting.
 (b) Weighing.
 (c) Distribution.
 (d) Recording. (1 mark)

77. Which of the following **BEST** explains the process of identifying, attracting and hiring employees with the right skills and qualifications?
 (a) Employment.
 (b) Recruitment.
 (c) Screening.
 (d) Staffing. (1 mark)
78. Which of the following could be established by a large organisation to offer customer support?
 (a) Feedback centre.
 (b) Customer department.
 (c) Call centre.
 (d) Marketing centre. (1 mark)
79. Identify one step that could be undertaken in the process of hiring the right employees?
 (a) Training.
 (b) Performance appraisal.
 (c) Interview.
 (d) Compensation. (1 mark)
80. The following are roles performed by managers:
 (i) Implementing policies and strategies.
 (ii) Routine day to day decision-making.
 (iii) Representing the organisation to the outside world.
 (iv) Responsible for major innovations.
 (v) Appointment of staff.
 Which of the following represents a set of roles performed by middle level managers?
 (a) (i), (ii), (iii)
 (b) (i), (iv), (v)
 (c) (ii), (iii), (v)
 (d) (iii), (iv), (v) (1 mark)
81. Which of the following is **NOT** a method of classifying documents for filing?
 (a) Methodical.
 (b) Geographical.
 (c) Chronological.
 (d) Numerical. (1 mark)
82. The steps in outgoing mail handling are:
 1. Recording of mail.
 2. Collecting of mail.
 3. Inserting the mailing material.
 4. Preparing the mail.
 5. Sealing and stamping.
 6. Posting.
 (a) 4, 1, 5, 2, 3, 6.
 (b) 4, 2, 1, 3, 5, 6.
 (c) 4, 3, 2, 1, 5, 6.
 (d) 4, 1, 5, 3, 2, 6. (1 mark)
83. Which of the following is an advantage of using emails to engage customers?
 (a) It can only be sent to one customer at a time.
 (b) It takes too long to be received by the customers.
 (c) It can be sent to many customers at once.
 (d) It is too expensive. (1 mark)
84. Why would an organisation maintain an automated filing system?
 (a) Reduces need for storage space.
 (b) It is relatively expensive.
 (c) There is no risk of unauthorised access.
 (d) It results in duplication of files. (1 mark)

85. Which of the following is **NOT** a characteristic of an effective leader?
 (a) Visionary.
 (b) Encourage innovation.
 (c) Resistant to change.
 (d) Team-leader. (1 mark)
86. Identify a reason why delegation skills are important in management.
 (a) Allows proper allocation of responsibility and authority.
 (b) Demotivates employees.
 (c) Employees lack interest in the work assigned.
 (d) It may reduce performance levels. (1 mark)
87. Which of the following is **NOT** a technique that managers could use to resolve conflict in an organisation?
 (a) Smoothing.
 (b) Compromise.
 (c) Confrontation.
 (d) Training. (1 mark)
88. Which of the following statements **BEST** defines the term "conflict"?
 (a) It is a disagreement between individuals arising out of a difference in thought process, attitudes, understanding, interests and other factors.
 (b) A discussion in which people expresses different opinions about something.
 (c) A discussion or argument carried out between two teams or sides.
 (d) Consideration of a subject by a group. (1 mark)
89. The process of organising consists of the following steps **EXCEPT**:
 (a) Determining and defining the activities required for the achievement of planned goals.
 (b) Establishing standards for measuring work performance.
 (c) Grouping the activities into logical and convenient units.
 (d) Assigning the duties and activities to specific positions and people. (1 mark)
90. Which of the following is not a function of top management:
 (a) To appoint departmental and other key executives.
 (b) To coordinate the activities and efforts of different departments.
 (c) To assign jobs to workers and to make arrangements for their training and development.
 (d) To analyse, evaluate and deal with the environmental forces. (1 mark)
91. Which of the following functions entails bringing together the materials and human resources required for the achievement of desired goals?
 (a) Planning.
 (b) Organising.
 (c) Leading.
 (d) Controlling. (1 mark)
92. Which of the following category of skills refers to the ability and knowledge in using the equipment, techniques and procedures involved in performing specific tasks?
 (a) Conceptual skills.
 (b) Human skills.
 (c) Writing skills.
 (d) Technical skills. (1 mark)
93. Which role of a manager requires that they gather information, disseminate information or act as a spokesperson for the company?
 (a) Interpersonal role.
 (b) Informational role.
 (c) Decision role.
 (d) Analytical role. (1 mark)

94. The following are qualities of good managers **EXCEPT**:
- (a) Makes difficult decisions.
 - (b) Has the ability to listen.
 - (c) Uses micromanagement.
 - (d) Encourage teamwork.
- (1 mark)
95. The following are characteristics of successful entrepreneurs **EXCEPT**:
- (a) Creativity.
 - (b) Perfectionist.
 - (c) Risk-taking.
 - (d) Professionalism.
- (1 mark)
96. Which component of the business plan details how an entrepreneur will generate income?
- (a) Business description.
 - (b) Operations and production plan.
 - (c) Customer analysis.
 - (d) Financial plan.
- (1 mark)
97. Which of the following statements **BEST** defines the term “staffing”?
- (a) Attracting candidates to fill a position in an organisation.
 - (b) Process of choosing the most suitable person for a current position.
 - (c) Managerial function of recruitment, selection, training, promotion and compensation of personnel.
 - (d) It is an instrument of developing employees by improving their skills and developing their behaviour.
- (1 mark)
98. Which of the following statements **BEST** defines a “job description”?
- (a) The name of the position to be filled.
 - (b) The scope of work to be performed by the candidate.
 - (c) Various job-related activities to be performed by the candidates assigned the job.
 - (d) It is the summary of all the tasks, roles and responsibilities with respect to a particular job.
- (1 mark)
99. The following are strategies to retain employees **EXCEPT**:
- (a) Discourage professional development.
 - (b) Give recognition and rewards.
 - (c) Offer incentives.
 - (d) Build a culture employees want to be part of.
- (1 mark)
100. Who is responsible for collecting mail from the post office?
- (a) Security officer.
 - (b) Messenger.
 - (c) Gardener.
 - (d) Receptionist.
- (1 mark)
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CAMS LEVEL I

PRINCIPLES OF ENTREPRENEURSHIP AND MANAGEMENT

WEDNESDAY: 15 December 2021.

Time Allowed: 3 hours.

This paper has three sections. SECTION I has forty (40) multiple choice questions. SECTION II has twenty (20) short response questions. SECTION III has one (1) essay question. All questions are compulsory. Marks allocated to each question are shown at the end of the question.

SECTION I - 40 MARKS

1. Which of the following **BEST** explains the practice of empowering employees by valuing their ideas and converting them into profitable undertakings?
 - (a) Entrepreneurship.
 - (b) Intrapreneurship.
 - (c) Creativity.
 - (d) Innovation.(1 mark)

2. Identify one method of generating new business ideas.
 - (a) Brainstorming.
 - (b) Screening.
 - (c) Newspapers.
 - (d) Hobbies.(1 mark)

3. Which one of the following is **NOT** a factor to consider while choosing a business entry option?
 - (a) Government regulation.
 - (b) Commencement date.
 - (c) Areas of operation.
 - (d) Risks involved.(1 mark)

4. Which of the following is a limitation of debt finance?
 - (a) It is a short-term finance.
 - (b) Only available in small quantities.
 - (c) It dilutes ownership.
 - (d) Interest is a legal obligation.(1 mark)

5. Identify one legal requirement for a start-up business.
 - (a) Accessibility to customers.
 - (b) Enough capital.
 - (c) Business name.
 - (d) Qualified employees.(1 mark)

6. Which of the following is a personal characteristic of a successful entrepreneur?
 - (a) Dependent.
 - (b) Fears risk.
 - (c) Intolerant.
 - (d) Confident.(1 mark)

7. Which one of the following **BEST** explains the process of helping small start-up businesses to become self-sustaining?
 - (a) Business incubation.
 - (b) Business angels.
 - (c) Business training.
 - (d) Business finance.(1 mark)

8. Which of the following is **NOT** a component of the marketing mix?
(a) People.
(b) Profit.
(c) Place.
(d) Physical evidence. (1 mark)
9. Identify one type of entrepreneur.
(a) Manager.
(b) Networker.
(c) Drone.
(d) Risk taker. (1 mark)
10. Which of the following **BEST** explains a business model where successful entrepreneurs allow other businesses to market goods and services under their brand names?
(a) Joint venture.
(b) Partnership.
(c) Cooperative.
(d) Franchising. (1 mark)
11. Identify one reason that has led to the popularity of microfinance institutions in your country.
(a) Accessible to low income earners.
(b) Give small amounts of money.
(c) Require security.
(d) They are located near customers. (1 mark)
12. Which statement best explains why it is important to create a schedule in the process of launching a new product?
(a) Ensures customers are informed of the new product.
(b) Ensures tasks are completed in time.
(c) Ensures that the product is tested.
(d) Ensures the product satisfies customers' needs. (1 mark)
13. Which of the following is **NOT** a factor that an entrepreneur could consider while identifying a target market?
(a) Size.
(b) Competition.
(c) Availability of buildings.
(d) Income levels. (1 mark)
14. Identify one factor that an entrepreneur could consider while choosing a business location.
(a) Promotion of products.
(b) Labour.
(c) Business management.
(d) Business plan. (1 mark)
15. Which one of the following is a source of short-term finance?
(a) Equity.
(b) Debentures.
(c) Bank overdraft.
(d) Retained earnings. (1 mark)
16. Identify one way that the government could promote entrepreneurship in your country.
(a) Laws and regulations.
(b) Corruption.
(c) Buying from importers.
(d) Building training institutions. (1 mark)
17. Which one of the following is an objective of evaluating a business idea?
(a) Ensure it is well known by the customers.
(b) Ensure that is tested by customers.
(c) Ensure that it is not against competitor's expectations.
(d) Ensure it is not against society's expectations. (1 mark)

18. Identify one reason why an entrepreneur could choose to start a sole proprietorship form of business.
- (a) Limited liabilities.
 - (b) Large capital.
 - (c) High secrecy.
 - (d) Sharing risks.
- (1 mark)
19. Which one of the following is an objective of sending free samples to influencers before launching a new product?
- (a) They are likely to buy more products.
 - (b) They have a lot of money to buy products.
 - (c) They are likely to share the samples with others.
 - (d) They are likely to share details with followers.
- (1 mark)
20. Which one of the following **BEST** explains the art of getting things done through the efforts of other people?
- (a) Delegation.
 - (b) Management.
 - (c) Leadership.
 - (d) Authority.
- (1 mark)
21. Identify one role performed by lower level management.
- (a) Long-term planning.
 - (b) Appointment of other managers.
 - (c) Setting up the overall organisation's goal.
 - (d) Supervising operating employees.
- (1 mark)
22. Which one of the following **BEST** explains the management function of monitoring plans to ensure that they are being followed?
- (a) Controlling.
 - (b) Motivation.
 - (c) Co-ordination.
 - (d) Evaluation.
- (1 mark)
23. Identify one type of skill that a manager may require to effectively interact and work with other people.
- (a) Conceptual skills.
 - (b) Interpersonal skills.
 - (c) Management skills.
 - (d) Strategic thinking skills.
- (1 mark)
24. Which of the following is a characteristic of an efficient filing system?
- (a) Confidential.
 - (b) Large.
 - (c) Accessibility.
 - (d) Authorised.
- (1 mark)
25. Which of the following **BEST** explains the summary tasks, roles and responsibilities of a specific job in an organisation?
- (a) Job description.
 - (b) Job specification.
 - (c) Job enrichment.
 - (d) Job analysis.
- (1 mark)
26. Which of the following represents a decision that a manager may require to make at the start-up stage of a business?
- (a) Recruit more staff.
 - (b) Diversification.
 - (c) Business closure.
 - (d) Location.
- (1 mark)
27. Which of the following is **NOT** a technique that could be used to motivate employees?
- (a) Recognition.
 - (b) Working conditions.
 - (c) Job security.
 - (d) Hiring employees.
- (1 mark)

28. Which of the following is **NOT** a reason for installing ventilations in office buildings?
(a) Ensure health and safety of employees.
(b) To comply with the law.
(c) To ensure the building is secure.
(d) To ensure air circulation. (1 mark)
29. Identify one benefit that could accrue to an organisation from hiring the right employees.
(a) Pay high salaries.
(b) Easy to recruit.
(c) Reduce workload.
(d) Improved performance. (1 mark)
30. Identify the basic function of management that involves grouping of jobs and assigning authority and responsibility to perform them.
(a) Planning.
(b) Organising.
(c) Job enlargement.
(d) Job rotation. (1 mark)
31. Which of the following is a challenge associated with the stabilisation stage of a business life cycle?
(a) Difficulties in attracting staff.
(b) High cost of promoting the business.
(c) Identifying opportunity for innovation.
(d) Taking high risks. (1 mark)
32. Government can better help in forming new ventures by providing:
(a) Finance.
(b) Technology.
(c) Infrastructure.
(d) Funds. (1 mark)
33. Which of the following factor has allowed small companies to act like they are big ones?
(a) Customers.
(b) Competition.
(c) Economic development.
(d) Technology. (1 mark)
34. Mary found out the reason her leg wear was not selling was due to its colour. What could be the best source of this information?
(a) Supplier.
(b) Retailer.
(c) Social media.
(d) Government bureau. (1 mark)
35. A typical inventor is usually _____.
(a) Highly creative and in love with the invention.
(b) One that encourages change.
(c) Willing to modify the invention.
(d) Not enthusiastic. (1 mark)
36. Which of the following shows the process of creating something new?
(a) Business model.
(b) Design.
(c) Creative flexibility.
(d) Innovation. (1 mark)
37. The activity which occurs when the new venture is started is called _____.
(a) Motivation.
(b) Business skills.
(c) Departure point.
(d) Goal orientation. (1 mark)

38. Why should an entrepreneur do a feasibility study for starting a new venture?
 (a) To identify possible source of funds.
 (b) To see if there are possible barriers to success.
 (c) To estimate the expected sales.
 (d) To explore potential customers. (1 mark)
39. Which of the following is a typical characteristic of most entrepreneurs?
 (a) Choose high risk ventures.
 (b) Choose low risk ventures.
 (c) Choose moderate (or calculated) risk ventures.
 (d) Choose no risk ventures. (1 mark)
40. One of the disadvantages of a franchise business for a franchisee is _____.
 (a) Lack of independence.
 (b) Franchise business typically have a high failure rate.
 (c) Lack of brand identity.
 (d) Training is not normally provided by the franchisor. (1 mark)

SECTION II - 40 MARKS

In questions number 41 to 49, indicate whether the statement is True or False:

41. Buying an existing business is always advantageous to an entrepreneur. (2 marks)
42. The business description component of a business plan contains the key management staff. (2 marks)
43. Reduction of expenses is a bootstrapping technique. (2 marks)
44. Hawking is a type of entrepreneurship. (2 marks)
45. Imitating entrepreneurs do not have to invent anything new to make profit. (2 marks)
46. All incoming mail should be opened in the mail room before they are delivered to the person concerned. (2 marks)
47. All leaders are managers. (2 marks)
48. All managers require decision making skills. (2 marks)
49. Conflict in an organisation always leads to poor performance. (2 marks)

You are advised not to exceed forty words in answering questions number 50 to 60.

50. Outline two benefits that an individual could achieve from becoming an entrepreneur. (2 marks)
51. List two characteristics of a viable business idea. (2 marks)
52. State two advantages of joint ventures. (2 marks)
53. Highlight two reasons why an entrepreneur could prefer to finance a business using personal savings. (2 marks)
54. List two product decisions that an entrepreneur could require to make while developing a marketing mix. (2 marks)
55. Outline two disadvantages of running a business as a company. (2 marks)
56. Highlight two factors that an entrepreneur could consider while choosing a source of finance. (2 marks)
57. Outline two financial challenges faced by entrepreneurs in your country. (2 marks)

58. State two characteristics of venture capitalists as a source of finance. (2 marks)
59. Identify two factors that an entrepreneur could consider while choosing a business incubator. (2 marks)
60. Highlight two purposes of the appendix in a business plan. (2 marks)

SECTION III - 20 MARKS

61. (a) Highlight five objectives of management. (5 marks)
- (b) Outline five advantages of conflicts to an organisation. (5 marks)
- (c) Describe five situations that may trigger innovation. (5 marks)
- (d) Explain five reasons why an entrepreneur may need a business plan for their new venture. (5 marks)
-



CAMS LEVEL I

PILOT PAPER

PRINCIPLES OF ENTREPRENEURSHIP AND MANAGEMENT

SECTION ONE

[40 MARKS] [40 MINUTES]

November 2021.

Time Allowed: Two Hours

This paper has three sections. Section One has forty (40) multiple choice questions. Section Two has twenty (20) short response questions. Section Three has one (1) essay question. All questions are compulsory. The marks allocated to each question are shown at the end of the question.

1. Entrepreneurship may be defined as; (1 mark)
 - A. Starting a business enterprise
 - B. The process of undertaking business
 - C. Process of creating incremental wealth
 - D. Process of gathering resources.
2. The entrepreneurial process of identifying and evaluating the business opportunity involves; (1 mark)
 - A. Writing a business proposal plan
 - B. Scanning the business environment
 - C. Seeking business finances
 - D. Registering the business name.
3. The harvesting stage of the entrepreneurial process involves: (1 mark)
 - A. Writing a business analysis report
 - B. Consulting an entrepreneur
 - C. Choosing an exit strategy
 - D. Getting a return on investment.
4. Corporate entrepreneurship may be defined as; (1 mark)
 - A. Changing an organisation set up
 - B. Re-structuring the organisation's management structure
 - C. Engaging in external marketing in unique ways
 - D. Entrepreneurship within an existing organisation.
5. Well established organisations can promote Intrapreneurship by; (1 mark)
 - A. Establishing rigid management organisation structures
 - B. Applying a long and complex organisation structure
 - C. Providing a working environment
 - D. Penalising project and product failures.
6. Social entrepreneurship is a form of entrepreneurship that; (1 mark)
 - A. Focuses on social environments
 - B. Encourages individuals to make profits in an innovative way
 - C. Supplies goods and services to the society
 - D. Tackles social challenges in an innovative way.

7. Entrepreneurship contributes to economic growth of the country through: (1 mark)
- A. Discussions and reports about the economy.
 - B. Widening the economic gap in the country.
 - C. Creation of high growth enterprises.
 - D. Working on the country's economic policies.
8. Select the major characteristic of an entrepreneurial firm; (1 mark)
- A. Continuous production of goods and services
 - B. Bringing new products and services to the market
 - C. It is a lifestyle firm
 - D. Operated by individuals who are motivated by money.
9. The corporate entrepreneurship strategy process is composed of: (1 mark)
- A. External environment conditions
 - B. Innovative strategic vision
 - C. Competitive capability
 - D. Strategic repositioning.
10. Select one principle applied by successful innovative companies. (1 mark)
- A. A broad organisational vision
 - B. Use of a single management approach
 - C. Small, flat organizational structure with small project teams.
 - D. A complex market approach.
11. Select a common source of entrepreneurial stress. (1 mark)
- A. Environmental stress
 - B. Business cycles
 - C. Political environment
 - D. Need to achieve.
12. Entrepreneurs enhance their business networks in order to; (1 mark)
- A. Increase prices of the products and services.
 - B. Become popular
 - C. To grow their businesses
 - D. Earn higher returns in their investments.
13. An entrepreneur may be best defined as; (1 mark)
- A. Young and energetic
 - B. Gamblers who take big risks
 - C. A catalyst for economic growth
 - D. Genetically predisposed to be successful.
14. Identify one characteristic associated with entrepreneurial ego that may have destructive implications on the business. (1 mark)
- A. Sense of trust
 - B. Desire for success
 - C. Overbearing need for control
 - D. Unrealistic pessimism.
15. Identify one characteristic not exhibited by successful entrepreneurs in general. (1 mark)
- A. Independence
 - B. Reactive
 - C. Ambitious
 - D. Flexible.
16. Which of the following manifest needs was not proposed by McClelland. (1 mark)
- A. Need for affiliation
 - B. Need for affection
 - C. Need for power
 - D. Need for achievement.

17. Identify the entrepreneurial motivator that is not classified under compelling factors. (1 mark)
- A. Unemployment
 - B. Self-actualisation
 - C. Dissatisfaction with job
 - D. Utilisation of knowledge and skills.
18. Choose one characteristic exhibited by an entrepreneur that may have positive implications to the businesses. (1 mark)
- A. Sense of trust
 - B. Overriding desire for success
 - C. Overbearing need for control
 - D. Unrealistic optimism.
19. Select the theory that is not classified as an entrepreneurship theory. (1 mark)
- A. Economic theories
 - B. Psychological theories
 - C. Stakeholders' theories
 - D. Sociological theories.
20. Based on Schumpeterian theory of entrepreneurship; innovation is defined as; (1 mark)
- A. Coming up with new ideas
 - B. New products and services
 - C. Technical work of invention
 - D. Application of new things into practical and efficient use.
21. Entrepreneurship sociological theories are based on; (1 mark)
- A. Political values
 - B. Socio-cultural values
 - C. Environmental considerations
 - D. Technological development.
22. Select one factor not considered under the Integrative approach to entrepreneurship. (1 mark)
- A. The organisation
 - B. The environmental opportunities
 - C. The individual entrepreneur
 - D. The financial and nonfinancial resources.
23. Identify the quality that does not define a viable business opportunity. (1 mark)
- A. Durability
 - B. Timeliness
 - C. An idea/thought
 - D. Attractiveness.
24. Select the factor that does not contribute to the recognition of a business opportunity. (1 mark)
- A. Observing trends
 - B. Solving a problem
 - C. Finding gaps in the market place
 - D. Social discrimination and exclusion.
25. Identify the personal characteristic that may hinder business opportunity recognition. (1 mark)
- A. Prior business experience
 - B. Business social networks
 - C. Entrepreneurial awareness
 - D. Inability to solve problems.

26. Select a rule that is not observed when conducting a formal brainstorming session. (1 mark)
- A. No criticism is allowed
 - B. Freewheeling
 - C. Detailed analytical reasoning
 - D. Leapfrogging.
27. Choose the behaviour that encourages creativity. (1 mark)
- A. Rigid organisational structure
 - B. Investing in human resource
 - C. Retaining employees in same job
 - D. Penalising failed ideas.
28. Identify the behaviour that discourages creativity. (1 mark)
- A. Listening actively
 - B. Being pessimistic, judgmental and critical
 - C. Protecting honest mistakes when learning
 - D. Treating employees as equals.
29. Select an environmental trend that does not suggest business or product gaps. (1 mark)
- A. Technological advances
 - B. Economic forces
 - C. Political instability
 - D. Social forces.
30. Entrepreneurs choose business opportunities which have the qualities shown below. Select the quality that entrepreneurs may not consider. (1 mark)
- A. Opportunity that adds value to customers
 - B. An open window of opportunity
 - C. Timeliness of the opportunity
 - D. Diversified market.
31. A business plan may be defined as; (1 mark)
- A. An entrepreneur's expression of interest
 - B. A list of business ideas
 - C. Entrepreneurs' diary of business activities
 - D. A document on proposed venture.
32. Identify a private form of business organisation from the list below. (1 mark)
- A. Partnerships
 - B. Cooperatives
 - C. Public social benefits organisations
 - D. Savings and loans cooperative societies.
33. Select the main disadvantage of a public limited company. (1 mark)
- A. Unlimited liability
 - B. Loss of direct control by the shareholders
 - C. Responsibilities and risks are shared on agreed proportions
 - D. Possibility of raising large sums of money.
34. Identify the major difference between sole proprietorship and partnerships. (1 mark)
- A. Perpetual continuity of business
 - B. Unlimited liability
 - C. Full control of the business by the owners
 - D. Shared responsibilities.

35. Identify the document that is presented to the registrar of companies during registration of a company. (1 mark)
- A. Audited financial statements
 - B. Memorandum of Association
 - C. A deed
 - D. An environmental audit reports.
36. Identify a major similarity between a general partnership and a private limited company. (1 mark)
- A. Unlimited liability
 - B. Continuity of business
 - C. Low liquidity of investment
 - D. Management control.
37. Select the main function of the articles of association. (1 mark)
- A. State the liability of members
 - B. Show the objectives of the company
 - C. Guide the internal management of company
 - D. Provide a list of directors.
38. Identify the main purpose of a memorandum of association. (1 mark)
- A. Show the list of shares offered
 - B. Show the class and rights of shareholders
 - C. Show the company's broad objectives
 - D. State the qualifications and duties of the directors.
39. Select the circumstance in which a sole proprietorship is regarded as a favorable form of ownership., (1 mark)
- A. Where owner prefers autonomy
 - B. Where promptness is not required in decision making
 - C. Where personal attention is not an important aspect of business relationship
 - D. Where the market is broad and requires large capital investment.
40. Partnership deed may be defined as; (1 mark)
- A. A document of capital appropriation
 - B. Articles of partnership stipulating the internal workings of the business
 - C. Document that allows transfer of shares
 - D. Document of transfer of assets.

(Total: 40 marks)

SECTION TWO

[40 MARKS] [1 HOUR]

You are advised not to exceed forty words in answering each question.

41. List two bootstrapping methods a start up restaurant business can utilise to ensure business success. (2 marks)
42. Define the term "venture capital". (2 marks)
43. Explain the term "window of opportunity". (2 marks)
44. Suggest two primary reasons why people become entrepreneurs. (2 marks)
45. Distinguish between creativity and innovation in entrepreneurship. (2 marks)
46. Define the term "corridor principle". (2 marks)
47. Explain two reasons why corridor principle supports the fact that majority of business ideas are conceived at work. (2 marks)

48. Giving two examples, explain how “solving a problem” can create a business opportunity”. (2 marks)
49. Identify two areas that a properly executed feasibility analysis explores. (2 marks)
50. Identify two challenges faced by an entrepreneur at the start up stage of the business. (2 marks)
51. Distinguish between a product franchise and a business format franchise. (2 marks)
52. Identify two benefits that accrue to an accounting firm that operates in form of a partnership. (2 marks)
53. Highlight two qualities to look for in a prospective Franchisee. (2 marks)
54. Explain how a manager can promote intrapreneurship. (2 marks)
55. Describe two qualities of an opportunistic entrepreneur. (2 marks)
56. Explain the challenges a prospective entrepreneur experiences at the idea generation stage. (2 marks)
57. Describe two factors that an entrepreneur whose business is at the stabilisation stage of business life cycle can consider in order to grow. (2 marks)
58. Explain the characteristics of a business that is in the decline stage of business life cycle. (2 marks)
59. Explain two innovative strategies an entrepreneur may consider to apply at the business decline stage of business life cycle. (2 marks)
60. Explain the meaning of “generation of a new entry opportunity”. (2 marks)

(Total: 40 marks)

SECTION THREE

[20 MARKS] [20 MINUTES]

61. Bizz game is the brainchild of four trainees in accounting who want to spark student’s interest in running a business. Their aim is to create a social enterprise that will help promote youth entrepreneurship more widely. In 2020, the team launched Bizzgame, an interactive business simulation game. Players increase their company’s valuation through strategic decisions on buying goods, marketing, sales development and logistics management.

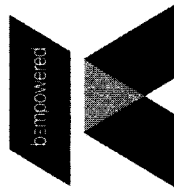
Students were initially reluctant to take up the challenge but several months of further trial and enhancements saw the game popularity increase among other trainees. Bizz game is gaining a following in the educational establishments across the country. The take-up has been enhanced by a series of Bizz game Youth challenge competitions. Although Bizz game has an appeal among consumers as the “new board game in town” the team has stuck to its original plan of promoting youth entrepreneurship. An online portal for training institutions and even a computer game version is being developed.

Required:

- (a) Define the term “social enterprise”. (2 marks)
- (b) Give two reasons that could have made the trainees come up with the idea of “Bizzgame”. (2 marks)
- (c) List three benefits of running Bizzgame as a social enterprise. (3 marks)
- (d) State three methods that the team can use to promote Bizzgame in other training institutions. (3 marks)
- (e) Give five challenges that the four undergraduates are likely to encounter as they promote the Bizzgame. (5 marks)
- (f) Explain three objectives achieved through playing the Bizzgame. (3 marks)
- (g) Explain the plan that the four trainees have for the growth of Bizzgame. (2 marks)

(Total: 20 marks)

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CAMS LEVEL I

PRINCIPLES OF ENTREPRENEURSHIP AND MANAGEMENT

MONDAY: 30 August 2021.

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) Summarise four methods that entrepreneurs could use to acquire capital assets for their business. (8 marks)
- (b) Describe four ways through which an entrepreneur could demonstrate innovativeness. (8 marks)
- (c) Explain the following types of entrepreneurs:
- (i) The sales person. (2 marks)
 - (ii) The achiever. (2 marks)
- (Total: 20 marks)**

QUESTION TWO

- (a) Analyse five administrative challenges of new ventures. (10 marks)
- (b) Outline six differences between an “entrepreneur” and a “business person”. (6 marks)
- (c) Explain four reasons why e-commerce could be expensive for small businesses to adopt. (4 marks)
- (Total: 20 marks)**

QUESTION THREE

- (a) (i) Define the term “e-money”. (2 marks)
- (ii) Summarise six advantages of using e-money to an enterprise. (6 marks)
- (b) Inadequate access to markets is one reason why many new ventures fail. Highlight seven problems that could be encountered in accessing local markets in your country. (7 marks)
- (c) Outline five advantages of operating a business as a partnership. (5 marks)
- (Total: 20 marks)**

QUESTION FOUR

- (a) (i) Distinguish between “promotional discounts” and “seasonal discounts”. (4 marks)
- (ii) Examine six benefits of giving discounts to customers. (6 marks)
- (b) In the context of bootstrapping, identify six measures that an entrepreneur could take to minimise external funding. (6 marks)
- (c) Analyse four factors that could cause bad debts in a business organisation. (4 marks)
- (Total: 20 marks)**

SECTION II

QUESTION FIVE

- (a) Highlight six non-financial motivators that could be used to motivate employees. (6 marks)
- (b) Outline four objectives of corporate governance. (4 marks)
- (c) Identify five advantages of working on-line from home for employees. (5 marks)
- (d) Propose five ways of ensuring efficient mail handling services in an organisation. (5 marks)

(Total: 20 marks)

QUESTION SIX

- (a) Explain five mechanisms that the management of an organisation could put in place in order to minimise conflicts in the office. (10 marks)
- (b) In relation to principles of management, enumerate six reasons why employees should not receive instructions from more than one supervisor. (6 marks)
- (c) List four limitations of centralising office operations. (4 marks)

(Total: 20 marks)

QUESTION SEVEN

- (a) Identify six responsibilities of employees in ensuring a safe and healthy work environment. (6 marks)
- (b) Explain four limitations of planning. (8 marks)
- (c) Summarise three challenges facing corporate governance. (6 marks)

(Total: 20 marks)

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CAMS LEVEL I

PRINCIPLES OF ENTREPRENEURSHIP AND MANAGEMENT

MONDAY: 17 May 2021.

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) Highlight five differences between debentures and preference share capital. (10 marks)
- (b) State ten contents of a partnership deed. (10 marks)
- (Total: 20 marks)**

QUESTION TWO

- (a) Outline six benefits associated with entrepreneurship. (6 marks)
- (b) Summarise six interventions that the government could undertake to avoid failure of small and medium enterprises (SMEs). (6 marks)
- (c) Identify eight limitations of a franchise arrangement. (8 marks)
- (Total: 20 marks)**

QUESTION THREE

- (a) Explain the 5C's model of assessing the credit worthiness of a customer. (10 marks)
- (b) (i) Define the term innovation. (2 marks)
- (ii) Analyse four ways in which entrepreneurs could protect their business ideas. (8 marks)
- (Total: 20 marks)**

QUESTION FOUR

- (a) In the context of credit control, highlight five ways of minimising bad debts. (5 marks)
- (b) Outline five reasons for the increased use of mobile banking. (5 marks)
- (c) Explain five factors that may lead to an entrepreneur failing to realise his dreams. (10 marks)
- (Total: 20 marks)**

SECTION II

QUESTION FIVE

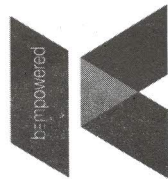
- (a) Outline six features of management. (6 marks)
- (b) State six benefits of planning to an organisation. (6 marks)
- (c) Propose eight strategies that a supervisor may apply to build a high performing team. (8 marks)
- (Total: 20 marks)**

QUESTION SIX

- (a) Analyse five qualities of a good filing equipment. (5 marks)
 - (b) Outline five benefits of good governance practices to an organisation. (5 marks)
 - (c) Identify ten steps for handling outgoing mail in an office. (10 marks)
- (Total: 20 marks)**

QUESTION SEVEN

- (a) Highlight five situations where a manager would act as a disturbance handler. (5 marks)
 - (b) List seven guidelines that you could follow when making calls. (7 marks)
 - (c) Analyse four types of conflicts that could arise in organisations. (8 marks)
- (Total: 20 marks)**
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CAMS LEVEL I

PRINCIPLES OF ENTREPRENEURSHIP AND MANAGEMENT

MONDAY: 23 November 2020.

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) Outline five reasons why it is important for an entrepreneur to prepare a business plan. (5 marks)
- (b) Identify seven sources of business ideas for entrepreneurs. (7 marks)
- (c) (i) Explain four principles of innovation in entrepreneurship. (4 marks)
- (ii) Highlight four sources of innovation for entrepreneurs. (4 marks)

(Total: 20 marks)

QUESTION TWO

- (a) Discuss five challenges faced by entrepreneurs in your country. (10 marks)
- (b) Highlight five disadvantages of buying an existing business. (5 marks)
- (c) Explain five reasons why an entrepreneur would set customer credit limits. (5 marks)

(Total: 20 marks)

QUESTION THREE

- (a) Explain the following forms of business organisations:
 - (i) Sole proprietorship. (2 marks)
 - (ii) A partnership. (2 marks)
 - (iii) A public limited company. (2 marks)
 - (iv) A private limited company. (2 marks)
- (b) Highlight six disadvantages of sole proprietorships. (6 marks)
- (c) Identify six sources of funds for entrepreneurs. (6 marks)

(Total: 20 marks)

QUESTION FOUR

- (a) (i) Define the term "goodwill". (2 marks)
- (ii) Explain four benefits of creating goodwill with customers. (8 marks)
- (b) (i) Define the term "e-commerce". (2 marks)
- (ii) Explain four advantages of e-commerce. (8 marks)

(Total: 20 marks)

SECTION II

QUESTION FIVE

- (a) Explain the following principles of management:
- (i) Division of work. (2 marks)
 - (ii) Discipline. (2 marks)
 - (iii) Unity of direction. (2 marks)
 - (iv) Scalar chain. (2 marks)
 - (v) Stability of tenure. (2 marks)
- (b) Identify five causes of inefficient filing in an organisation. (5 marks)
- (c) Summarise five functions performed by middle level management. (5 marks)
- (Total: 20 marks)**

QUESTION SIX

- (a) Propose six measures that management of an organisation could take to ensure the safety of employees. (6 marks)
- (b) Outline six positive consequences of conflict in an organisation. (6 marks)
- (c) Analyse four reasons why there has been a growing interest in corporate governance practice both in the private and public sectors. (8 marks)
- (Total: 20 marks)**

QUESTION SEVEN

- (a) Outline seven roles of a filing clerk. (7 marks)
- (b) Explain five benefits of communicating decisions to employees. (5 marks)
- (c) Discuss four risks faced by Small and Medium Enterprises (SMEs). (8 marks)
- (Total: 20 marks)**
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CAMS LEVEL I

PRINCIPLES OF ENTREPRENEURSHIP AND MANAGEMENT

TUESDAY: 26 November 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 the life cycle of an enterprise, list six features associated with the growth stage. (6 marks)
 - (b) State six characteristics of creative entrepreneurs. (6 marks)
 - (c) Identify eight factors which might motivate an individual to become an entrepreneur. (8 marks)
- (Total: 20 marks)**

QUESTION TWO

- (a) Highlight six circumstances which may lead to choosing a sole proprietorship instead of the other forms of business enterprises. (6 marks)
 - (b) Appropriate technology is designed to suit the needs of an entrepreneur.
With reference to the above statement:
 - (i) Summarise seven characteristics of appropriate technology. (7 marks)
 - (ii) Outline five factors to consider while selecting appropriate technology. (5 marks)
 - (c) With reference to protection of a business, explain the term “intellectual property”. (2 marks)
- (Total: 20 marks)**

QUESTION THREE

- (a) With reference to work environment, state ten ways of enhancing creativity in an organisation. (10 marks)
 - (b) Discuss five methods that an entrepreneur of a small and medium enterprise could use to manage business risks. (10 marks)
- (Total: 20 marks)**

QUESTION FOUR

- (a)
 - (i) Define the term “m-commerce”. (2 marks)
 - (ii) Outline six advantages of using m-commerce to an enterprise. (6 marks)
 - (b) Distinguish between the terms “credit limit” and “credit control”. (4 marks)
 - (c) Highlight eight barriers to creativity. (8 marks)
- (Total: 20 marks)**

SECTION II

QUESTION FIVE

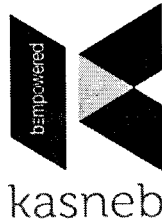
- (a) Summarise ten qualities of a successful manager. (10 marks)
- (b) With reference to teamwork:
- (i) Explain the meaning of the term “team building”. (2 marks)
- (ii) Describe four stages a group passes through in the process of developing an effective team. (8 marks)
- (Total: 20 marks)**

QUESTION SIX

- (a) Identify five routine office operations. (5 marks)
- (b) Cite seven duties of a supervisor. (7 marks)
- (c) Analyse four merits of centralised mailing services. (8 marks)
- (Total: 20 marks)**

QUESTION SEVEN

- (a) In the context of management skills, distinguish between “diagnostic skills” and “conceptual skills”. (4 marks)
- (b) List six contributions of good corporate governance practices to an organisation. (6 marks)
- (c) (i) In relation to filing records, explain the term “cross referencing”. (2 marks)
- (ii) Examine four situations when cross referencing could be necessary. (8 marks)
- (Total: 20 marks)**
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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)**

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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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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