KAIMOSI FRIENDS UNIVERSITY
FOURTH YEAR FIRST SEMESTER UNIVERSITY EXAMINATIONS
2025/2026 ACADEMIC YEAR

SUPPLEMENTARY EXAMINATIONS

BACHELOR OF INFORMATION TECHNOLOGY (BIT)

COURSE TITLE: ENTREPRENEURSHIP AND INNOVATION

COURSE CODE: BIT 124

DATE: **18/6/2026** **TIME: 9-11AM**

INSTRUCTIONS TO STUDENTS

1. ANSWER **QUESTION ONE** AND **ANY OTHER TWO** FROM THE CHOICES GIVEN
2. PHONES, SMART WATCHES, EAR PHONES OR ANY OTHER UNAUTHORIZED DIGITAL AND AI GADGETS AND APPLICATIONS ARE **NOT ALLOWED IN** THE EXAMINATION ROOM
3. ANSWER ALL QUESTIONS IN THE EXAM ANSWER BOOKLET PROVIDED
4. DO NOT WRITE ON THIS QUESTION PAPER
5. ALL KAFU EXAMINATION RULES AND REGULATIONS APPLY
6. DURATION OF EXAMINATION: **TWO (2) HOURS**

KAFU observes ZERO tolerance to examination cheating

QUESTION ONE (30 MARKS) – COMPULSORY

(a) Define the term "entrepreneurship" and explain its core components as outlined in the course material. (6 Marks)

(b) Distinguish between *creativity* and *innovation*, providing a relevant example for each in the context of an IT-based venture. (4 Marks)

(c) A friend has a business idea but is unsure about the most suitable legal structure. Compare and contrast a *Private Limited Company (Ltd)* and a *Partnership****,*** highlighting two advantages and two disadvantages of each. (8 Marks)

(d) Discuss the role of Small and Medium Enterprises (SMEs) in Kenya's economic development. In your answer, refer to their contribution to GDP and employment. (6 Marks)

(e) Safaricom's M-PESA is often cited as a world-class example of innovation. Briefly explain the problem it identified, the innovative solution it offered, and its overall socio-economic impact in Kenya. (6 Marks)

QUESTION TWO (20 MARKS)

(a) Explain the concept of the "entrepreneurial mindset" and describe its four (4) key elements. (8 Marks)

(b) Women and youth entrepreneurs in Kenya face unique challenges.
Identify **two** challenges specific to each group and discuss *two* government support initiatives aimed at addressing these challenges. (8 Marks)

(c) Define "intrapreneurship" and explain how it differs from entrepreneurship. (4 Marks)

QUESTION THREE (20 MARKS)

(a) A feasibility analysis is critical before committing resources to a new venture. Describe the *four (4)* main components of a feasibility study and explain what each component seeks to determine. (8 Marks)

(b) Using the *PESTEL framework*, analyze the macro-environmental factors that a Kenyan fintech startup should consider before launching a new mobile payment application. (8 Marks)

(c) Differentiate between a business *idea* and a business *opportunity****,*** providing a clear example to illustrate the difference. (4 Marks)

QUESTION FOUR (20 MARKS)

(a) A business plan is a vital tool for any entrepreneur. Explain its importance for both *internal* and *external* purposes. (6 Marks)

(b) You are preparing a business plan for a new IT venture. Describe what information you would include in the following sections: (6 Marks)
i. Market Analysis
ii. Financial Plan

(c) Explain the concept of the *Marketing Mix (4Ps)* and describe how a new software company (SaaS) might apply each of the four elements to successfully launch its product. (8 Marks)

QUESTION FIVE (20 MARKS)

(a) Intellectual Property (IP) is a crucial asset for tech entrepreneurs. Define *Intellectual Property* and explain the importance of protecting it for a startup. (6 Marks)

(b) Briefly explain *three* types of Intellectual Property rights available in Kenya and give an example of what each would protect in a software development company. (6 Marks)

(c) Discuss the concept of *Corporate Social Responsibility (CSR)* using the *Triple Bottom Line (People, Planet, Profit)* framework. Provide one practical example of how a small tech startup with a limited budget could engage in each of the three dimensions. (8 Marks)