



CAMS LEVEL I

PRINCIPLES OF ENTREPRENEURSHIP AND MANAGEMENT

MONDAY: 18 August 2025. Morning Paper.

Time Allowed: 2 hours.

This paper consists 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 one of the following reasons explains why hustler entrepreneurship is accessible to many potential entrepreneurs?
 - A. Government support is guaranteed
 - B. Not subject to any business risk
 - C. Expansion and success are guaranteed
 - D. Require minimal resources to start(2 marks)
2. Which one of the following is a characteristic associated with social entrepreneurs?
 - A. Prioritise on cultural problems
 - B. Initiative and personal responsibility
 - C. High need for status and power
 - D. Start their ventures from scratch(2 marks)
3. Which one among the following is a source of innovation?
 - A. Expected occurrences
 - B. Political changes
 - C. Perceptual change
 - D. Willingness to accept change(2 marks)
4. Which one of the following statements shows a method that government uses to promote entrepreneurship in the country?
 - A. Create strict business rules and regulations
 - B. Restricting the movement of goods and services
 - C. High importation of consumer goods available
 - D. Provide an enabling business environment(2 marks)
5. Which one of the following statements shows the benefit attained by a country that has 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)
6. The following information is included in a business plan:
 - (i) Consumer analysis
 - (ii) Entrepreneurs profile
 - (iii) Methods of promotion
 - (iv) Production schedule
 - (v) Description of product
 - (vi) Distribution methods

- Which one of the following sets represents the information that is incorporated in the marketing section of the business plan?
- A. (ii), (iii) and (iv)
 - B. (v), (i) and (vi)
 - C. (iii), (iv) and (v)
 - D. (i), (iii) and (vi)
- (2 marks)
7. Which one of the following statements shows the benefit of using brainstorming technique to generate business ideas?
- A. Great ideas are generated
 - B. Participants are experts
 - C. Uses analytical reasoning
 - D. Moderator makes decision
- (2 marks)
8. Which one of the following challenges is associated with starting a new venture?
- A. Creating a market plan
 - B. Maintaining market share
 - C. Market saturation
 - D. Attracting customers
- (2 marks)
9. Which one of the following factors could be considered when choosing a target market?
- A. Market competition
 - B. Cost of entry
 - C. Entrepreneurial ability
 - D. Risk tolerance
- (2 marks)
10. What is the primary focus of customer relationship management (CRM)?
- A. Reducing production costs
 - B. Enhancing customer satisfaction
 - C. Managing financial accounts
 - D. Developing new products
- (2 marks)
11. Which one of the following statements explains the role of angel investor to the start-up businesses?
- A. Invests in startups
 - B. Provide seed money
 - C. Managing money
 - D. Closing investments
- (2 marks)
12. Which one of the following characteristics is **NOT** associated with long-term finance?
- A. Repayment period exceeds one year
 - B. Less costly than short-term finance
 - C. Usually used to fund fixed assets
 - D. Requires collateral or guarantee
- (2 marks)
13. Micheal Kimata wishes to set-up a retail clothing store to attract walk-in customers. Which one of the following locations would be the **MOST** suitable?
- A. A spacious building in the industrial area
 - B. A shopping mall located in the city centre
 - C. A rural shop that charges less rent and rates
 - D. A quiet area far from other businesses
- (2 marks)
14. Which one of the following is **NOT** a statutory requirement for a business?
- A. Business plan
 - B. Business permit
 - C. Business name
 - D. Business license
- (2 marks)
15. Which one of the following types of organisations are registered as a private form of business ownership?
- A. Cooperatives
 - B. Partnerships
 - C. Self-help groups
 - D. Savings societies
- (2 marks)

16. Which one of the following statements is a disadvantage of running a public limited company?
- A. Unlimited liability of shareholders
 - B. Loss of control by the shareholders
 - C. Risks are shared on agreed terms
 - D. Ability to raise large sums of money
- (2 marks)
17. Which one of the following is a source of debt capital to a business entity?
- A. Ordinary shares
 - B. Crowd funding
 - C. Venture capital
 - D. Trade credit
- (2 marks)
18. Which one of the following statements is the primary purpose of offering discounts to customers?
- A. Increase the perceived value of the product
 - B. To reduce the company's operating costs
 - C. To attract new customers and increase sales
 - D. To increase employee satisfaction
- (2 marks)
19. Which one of the following factors should be evaluated before choosing a franchise opportunity?
- A. The number of franchises in the area
 - B. The franchisor's reputation and support system
 - C. The personal interests of the franchisee
 - D. The aesthetic appeal of the franchise location
- (2 marks)
20. Which one of the following statements describes a disadvantage of using personal savings to finance a new business enterprise?
- A. The amount will need to be repaid with interest
 - B. The amount available may be limited
 - C. It is an expensive form of finance
 - D. One may lose control of the business
- (2 marks)
21. Which one of the following statements describes how a customer service representative could display empathy towards customers?
- A. Ignore or downplay customer emotions
 - B. Blame the customer for the issues they are facing
 - C. Offer sincere apologies for any inconveniences
 - D. Provide robotic and scripted responses
- (2 marks)
22. Which one of the following is a component of the marketing mix that focuses on communication with the target audience?
- A. Product
 - B. Place
 - C. Promotion
 - D. Price
- (2 marks)
23. Which one of the following sentences is an example of a customer service **BEST** practice?
- A. Follow-up the customers to ensure their issues are resolved
 - B. Avoiding all contact with customers to minimise interactions
 - C. Placing customers on hold indefinitely until they hang up
 - D. Denying service to customers who have made complaints
- (2 marks)
24. Which one of the following benefits is associated with a well-defined target market in entrepreneurship?
- A. Increased competition
 - B. Reduced marketing costs
 - C. Limited customer base
 - D. Decreased product demand
- (2 marks)

25. Which one of the following terms describes the process of studying an industry to determine potential target markets?
A. Segmentation
B. Consolidation
C. Evaluation
D. Differentiation (2 marks)
26. Which one of the following is **NOT** a component of brand equity?
A. Brand awareness
B. Brand association
C. Brand loyalty
D. Brand cohorts (2 marks)
27. Which one of the following responsibilities is undertaken by top level management?
A. Supervision of workers
B. Training of employees
C. Policy formulation
D. Operational planning (2 marks)
28. Which one of the following roles is demonstrated by a democratic leader?
A. Authority without consultation
B. Allows decentralised systems
C. Use of complex channels
D. Resistant to changes (2 marks)
29. Which one of the following skills are more important for top-level management than lower level-management?
A. Communication skills and problem-solving skills
B. Conceptual skills and strategic thinking skills
C. Technical skills and decision-making skills
D. Conflict solving skills and interpersonal skills (2 marks)
30. Which one of the following descriptions gives an example of informational role played by a manager?
A. A diplomat by putting best face to people outside the organisation
B. A leader and takes responsibility of actions by subordinates
C. A disturbance handler by fixing problems within the organisation
D. A negotiator working with others to achieve organisation goals (2 marks)
31. Which one of the following strategies could be used in an organisation to ensure emergency preparedness?
A. Reducing workplace accidents
B. Maintaining evacuation plans
C. Improving employee morale
D. Maintaining staff well-being (2 marks)
32. Which one of the following steps is the first to be taken by a manager when making a rational decision?
A. Evaluate alternatives and select a solution
B. Think about the alternative solutions
C. Identify the problem or the opportunity
D. Implement and evaluate the solution (2 marks)
33. Which one of the following disadvantages is associated with group-aided decision making in an organisation?
A. Different perspectives
B. Goal displacement
C. Intellectual stimulation
D. Decision rationale (2 marks)
34. Which one of the following strategies could be implemented at the continuous growth stage of a business?
A. Conduct feasibility study and research
B. Develop a preliminary business plan
C. Implement strong systems and processes
D. Establish an organisational structure (2 marks)

35. Which one of the following statements elaborates the meaning of job analysis in management?
A. Minimum qualifications required for a specific job
B. Determining, examining and observing the basic elements of a job
C. Drawing an appropriate organisations structure for the organisation
D. Minimum academic requirements to perform a technical job (2 marks)
36. Which one of the following statements represents an example of a growth strategy?
A. Expanding into new products and services
B. Changing its ongoing business strategy
C. Engaging in a rationalisation process
D. Lowering expenditure on leisure (2 marks)
37. Which one of the following options defines the principle of leading in management?
A. Establishing clear goals and specifying the actions needed to reach them
B. Inspiring and guiding employees to fulfil organisational objectives
C. Evaluating data to support business decision-making
D. Distributing resources effectively to enhance production (2 marks)
38. Which one of the following functions is performed by middle level managers?
A. Provide feedback
B. Setting goals
C. Setting policies
D. Strategic planning (2 marks)
39. Which one of the following is a factor to consider when choosing a filing method to adopt in an organisation?
A. The safety of document
B. Ventilation of the room
C. The experience of filing clerk
D. The lighting in the room (2 marks)
40. Which one of the following is an advantage of automated filing systems?
A. Low free space
B. Lower information sharing
C. Lower storage costs
D. Lower security threats (2 marks)
41. Which one of the following actions could result to success when taken by an entrepreneur at start-up phase of business growth?
A. Serve a small customer base
B. Growing large customer base
C. Examining population trends
D. Minimal customer relations (2 marks)
42. Which one of the following statements describes why an organisation needs to carry out customer surveys before it starts its operation?
A. Determine amount of finance needed
B. Build rapport with the customer
C. Determine areas that need improvement
D. To find new opportunities (2 marks)
43. Which one of the following statements describes organising as a function of management?
A. Guiding and influencing the work of subordinates
B. Establishing standards of performance for work
C. Managing positions of the organisation structure
D. Coordination of people towards desired goal (2 marks)
44. Which one of the following functions represents the decisional role performed by a manager?
A. Negotiator
B. Disseminator
C. Monitor
D. Liaison (2 marks)

45. Which one of the following management levels performs the role of training and developing employees in an organisation?
A. Resource manager
B. Low management
C. Middle management
D. Top management (2 marks)
46. Which one of the following functions of management constitutes communication, leadership and motivation?
A. Staffing
B. Controlling
C. Directing
D. Planning (2 marks)
47. Which one of the following indications is a common sign of workplace stress?
A. Increased productivity
B. Improved communication
C. Increased absenteeism
D. Increased job satisfaction (2 marks)
48. Which one of the following statements explains why customer feedback is important?
A. Help improve customer retention
B. Help determine finance to use to advertise
C. Help to measure the level of competition
D. Help to determine the price to sell goods and services (2 marks)
49. Which one of the following factors affects the length of product life?
A. The prices of the other similar commodities
B. The introduction of a new product
C. The advertising campaigns by the company
D. Customer not changing the taste and preferences (2 marks)
50. Which one of the following factors determines the price of a commodity or services?
A. Customer income
B. Cost and expenses incurred
C. Change in taste and fashion
D. Price of related goods (2 marks)
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CAMS LEVEL I

PRINCIPLES OF ENTREPRENEURSHIP AND MANAGEMENT

TUESDAY: 22 April 2025. Morning Paper.

Time Allowed: 2 hours.

This paper consists 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 one of the following outcomes is a disadvantage of self-employment?
A. Fluctuating income
B. Steady income
C. Low personal risk
D. Flexible working time (2 marks)
2. Intrapreneurs are motivated by _____.
A. profit and independence
B. status and social prestige
C. career growth and recognition
D. high personal and financial risk (2 marks)
3. Which one of the following internal factors affects a business?
A. Competitive factor
B. Leadership factor
C. Economic factor
D. Socio-economic forces (2 marks)
4. Which one of the following statements explains a way in which entrepreneurs could contribute to local economies?
A. Expanding business to foreign markets
B. Sourcing raw materials and labour locally
C. Selling their products only in local markets
D. Outsourcing local tasks to global dealers (2 marks)
5. Which one of the following benefits could accrue to a country from attracting foreign investment?
A. Facilitates knowledge and technology transfer
B. Enhances monopolisation of local industries
C. Increases dependence on foreign markets
D. Reduces competition in the local market (2 marks)
6. Which one of the following entrepreneurial behaviours is commonly displayed by successful entrepreneurs?
A. Perseverance
B. Impatience
C. Irresponsible
D. Inflexible (2 marks)
7. Which one of the following techniques could be used by entrepreneurs to deal with high competition?
A. Hire legal experts to ensure compliance
B. Develop a unique value proposition
C. Implement strict financial management
D. Promote rapid growth of the business (2 marks)

8. The process of creating something new is called _____.
A. generation
B. management
C. business
D. innovation (2 marks)
9. Which one of the following sets of qualities describe a viable 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)
10. What is the purpose of a feasibility study for starting a new venture?
A. Segmenting the market
B. Estimating the cost of sales
C. Confirming market opportunities
D. Advertising the commodities (2 marks)
11. Which one of the following characteristics is **NOT** associated with innovative entrepreneurs?
A. Proactiveness in identifying market gaps
B. Creating unique solutions to problems
C. Disrupting industries with novel ideas
D. Replicating existing business models (2 marks)
12. An entrepreneur could ensure that a new business idea has potential for growth by _____.
A. evaluating the idea
B. implementing the idea
C. generating the idea
D. brainstorming the idea (2 marks)
13. Which one of the following ways could social media be used as a source of business ideas?
A. Conducting interviews
B. Conducting SWOT analysis
C. Getting customer feedback
D. Representing ideas visually (2 marks)
14. Which one of the following statements describes the primary support provided by business incubators to entrepreneurs?
A. Customers, raw materials and skills
B. Market, transportation and loans
C. Capital, products and new ideas
D. Tools, expertise and resources (2 marks)
15. Which one of the following statements describes the purpose of a table of content in a business plan?
A. Contains a brief summary of the key points of the plan
B. Allows readers to easily navigate through the sections
C. Serves as the first impression of the business plan
D. Provides the foundation of understanding the plan (2 marks)
16. Which one of the following factors is **LEAST** likely to influence the timings of the business?
A. Government policies
B. Taxation rates
C. Consumer expenditures
D. Weather patterns (2 marks)
17. Which one of the following characteristics is associated with a joint venture?
A. All partners have unlimited liability
B. Requires a long-term commitment
C. Formed for a specific time or purpose
D. Operates under a single brand name (2 marks)

18. Which one of the following characteristics relates to decision-making in a partnership business?
A. Quick-decision-making process
B. Collective decision-making process
C. Sole control over decision-making
D. Spontaneous decision-making process (2 marks)
19. Which one of the following items form a part of the content of the market analysis section of the business plan?
A. The sales cycle
B. Competitor analysis
C. Industry trends
D. Revenue drivers (2 marks)
20. Which one of the following documents is presented to the registrar of companies during registration of a business?
A. Audited financial statements
B. Memorandum of Association
C. A management signed deed
D. An environmental audit report (2 marks)
21. Which one of the following statements indicates the purpose of having a company's mission statement shown in the business plan?
A. Define company's management structure
B. Define why it exists and its aspirations
C. Reinforce its position in the market
D. Define its relationship with others (2 marks)
22. Micro-finance institutions provide finance to _____.
A. low growth businesses
B. low-income entrepreneurs
C. large successful businesses
D. high-risk business ventures (2 marks)
23. Which one of the following types of finance is usually the first source of capital for a small business start-up?
A. Debt finance
B. Venture capital
C. Personal finance
D. Share capital (2 marks)
24. Which one of the following statements provides the purpose of writing the articles of association?
A. State the liability of business partners
B. Show the objectives of the company
C. Give the internal managerial functions
D. Show the directors of the company (2 marks)
25. Registering a company with the relevant authority ensures _____.
A. availability of required capital
B. protection from competition
C. recognition as a legal entity
D. tax exemptions and rebates (2 marks)
26. Which one of the following statements describes the activity undertaken when performing the leading function?
A. Evaluating performance
B. Allocating resources
C. Influencing people
D. Managing finances (2 marks)
27. Which one of the following elements is part of the 7P's in the marketing-mix?
A. Performance
B. Premium
C. People
D. Profit (2 marks)

28. Which one of the following functions is exercised by the top-level management in an organisation?
- A. Supervise workers
 - B. Set Production lines
 - C. Allocation of duties
 - D. Set long-term goals
- (2 marks)
29. A local bakery has decided to run a 'buy one, get one free' promotion. This strategy is aimed at _____.
- A. engaging customers
 - B. attracting customers
 - C. segmenting customers
 - D. reducing product prices
- (2 marks)
30. Which one of the following strategies is used by managers to win and retain customers?
- A. Broad marketing
 - B. Imitating services
 - C. Target marketing
 - D. Product description
- (2 marks)
31. Which of the following statements describes the directing function of management?
- A. Taking corrective action of deviations
 - B. Issuing orders and instructions
 - C. Disseminating the information
 - D. Determining the activities
- (2 marks)
32. Which one of the following actions is part of the controlling function of management?
- A. Providing direction and motivating to team members
 - B. Division of tasks and optimum allocation of resources
 - C. Ensuring a plan is followed and necessary changes made
 - D. Setting long-term goals and strategies to meet goals
- (2 marks)
33. Resolving conflicts and providing guidance to employees is part of the _____ function of management.
- A. leading
 - B. planning
 - C. organising
 - D. staffing
- (2 marks)
34. Which one of the following statements indicates the reason why a manager could prefer internal recruiting for a position in the management?
- A. To motivates employees within the organisation
 - B. To gives the organisation a competitive advantage
 - C. It modifies the organisation structure
 - D. To give a high return on human capital
- (2 marks)
35. Which one of the following conflict handling styles involve developing solutions that benefit all parties?
- A. Accommodating
 - B. Collaborating
 - C. Compromising
 - D. Dominating
- (2 marks)
36. Having delegation skills enables a manager to _____.
- A. generate multiple solutions to problems
 - B. empower subordinates to make decisions
 - C. anticipate threats and opportunities
 - D. manage conflicts and foster cooperation
- (2 marks)
37. To be able to choose the best course of action from available alternatives, a manager requires _____.
- A. interpersonal skills
 - B. conceptual skills
 - C. communication skills
 - D. decision-making skills
- (2 marks)

38. Which one of the following functions 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)
39. Which one of the following actions represents the last step of handling incoming mail in a large organisation?
- A. Recording
 - B. Writing
 - C. Referencing
 - D. Distribution
- (2 marks)
40. Which one of the following statements explains the importance of verifying the weight of outgoing mail?
- A. Avoid information overload
 - B. Make delivery of mail easier
 - C. Know whether there are enclosures
 - D. Ensure proper postage calculation
- (2 marks)
41. In relation to customer support, which one of the following statements justify the reason for recording customer calls?
- A. Performance monitoring and improvements
 - B. Help cater for a diverse customer base
 - C. Reduced customer waiting and queuing time
 - D. Automated responses to customer queries
- (2 marks)
42. Which one of the following factors is **NOT** a characteristic of a good filing system?
- A. Accessibility
 - B. Elasticity
 - C. Complexity
 - D. Flexibility
- (2 marks)
43. Which one of the following benefits could accrue to an organisation from the use of a cloud-based filing system?
- A. Improved and secure retrieval of physical files
 - B. Secure access to files from any location
 - C. Enhanced use of paper-based back-ups
 - D. Restricted storage capacity to secure files
- (2 marks)
44. Autocratic type of leadership is characterised by _____.
- A. decentralised decision-making and leadership
 - B. prioritising the leader's authority over team inputs
 - C. use of a reward and punishment leadership system
 - D. leader delegating decision-making to team members
- (2 marks)
45. Which one of the following steps is essential in hiring the right employees?
- A. Undertaking training and development
 - B. Conducting performance appraisal
 - C. Developing a job description
 - D. Promotion, placement and transfer
- (2 marks)
46. Wages, bonuses, salaries and insurance are examples of _____.
- A. financial motivation
 - B. non-financial motivation
 - C. extrinsic motivation
 - D. intrinsic motivation
- (2 marks)
47. Which one of the following components is included in a job specification?
- A. Work experience
 - B. Job summary
 - C. Reporting structure
 - D. Key responsibilities
- (2 marks)

48. Which one of the following measures could be taken to enhance employee retention in an organisation?
- A. Disciplining employees
 - B. Increasing turnover rate
 - C. Increasing recruitment rate
 - D. Competitive compensation
- (2 marks)
49. Which one of the following challenges could be experienced by a business at stabilisation stage?
- A. Market changes
 - B. Environment impact
 - C. Stiff competition
 - D. Increased sales levels
- (2 marks)
50. The following are key activities taken during the stages of business growth.
- (i) Evaluating the viability of the business idea.
 - (ii) Building brand awareness and attracting customers.
 - (iii) Hiring the first team of competent employees.
 - (iv) Launching the product or service in the market.
 - (v) Defining the value proposition and target market.
 - (vi) Brainstorming and identifying market gaps.
- Which one of the following sets of activities is undertaken at the idea generation stage?
- A. (i), (ii), (iv)
 - B. (iii), (iv), (v)
 - C. (ii), (v), (vi)
 - D. (i), (v), (vi)
- (2 marks)
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CAMS LEVEL I

PRINCIPLES OF ENTREPRENEURSHIP AND MANAGEMENT

MONDAY: 2 December 2024. Morning Paper.

Time Allowed: 2 hours.

This paper consists 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 one of the following gives the benefits obtained by a country that promotes an entrepreneurial culture?
 - A. High levels of white-collar jobs
 - B. Growth in domestic production
 - C. Business rules and regulations
 - D. Low level job opportunities(2 marks)
2. Which one of the following statements explains the importance of entrepreneurship in a country?
 - A. Tool for economic development
 - B. Broad business incentives
 - C. Encourage salaried employment
 - D. Stimulate low investments(2 marks)
3. Which one of the following describes the role of an entrepreneur at the early stage of a business?
 - A. Provide for government revenue
 - B. Compete and gain cost advantage
 - C. Generate a viable business idea
 - D. Eliminate financial risks(2 marks)
4. Which one of the following is an external challenge entrepreneurs have to overcome in order to be successful?
 - A. Poor managerial skills
 - B. Unfavorable policies
 - C. Limited resources
 - D. Record keeping skills(2 marks)
5. Which one of the following is a benefit of entrepreneurship for large companies?
 - A. Eliminates the need for external partnerships and collaborations
 - B. Allows company to diversify and adapt to market changes quickly
 - C. Reduces the overall number of employees needed in the company
 - D. Standardises all innovative processes throughout the company(2 marks)
6. Which one of the following measures could be undertaken by the government to support and promote entrepreneurship?
 - A. Restricting access to venture capital for business start-ups
 - B. Introduction of high tax rates specifically for small companies
 - C. Providing grants and subsidies to support new business ventures
 - D. Increasing regulatory hurdles for small and medium-sized enterprises(2 marks)
7. Which one of the following factors is not **TRUE** about innovative entrepreneurs?
 - A. Imitative entrepreneurs are creative
 - B. Imitative entrepreneurs are open-minded
 - C. Introduce new techniques in the market
 - D. Are mainly found in developed countries(2 marks)

8. Which one of the following stakeholders are a source of business ideas due to their familiarity with the market?
- A. Distribution channels
 - B. Former employees
 - C. Regular customers
 - D. Major competitors
- (2 marks)
9. Which one of the following statements explains the reason why an entrepreneur should undertake feasibility study before venturing into business?
- A. To generate new business ideas
 - B. Determine barriers to success
 - C. Enhance creativity and innovation
 - D. Boost awareness of the business
- (2 marks)
10. Which one of the following statements explains the reason why it is important to prepare a business plan for a new venture?
- A. To demonstrate the viability of the business
 - B. To ensure that all components are included
 - C. To enhance the skills of an entrepreneur
 - D. To help in reducing business competition
- (2 marks)
11. Which one of the following methods involves many people spontaneously generating business ideas of a potential market?
- A. Brainstorming
 - B. Market survey
 - C. Focus group
 - D. Library research
- (2 marks)
12. Which one of the following elements describes a quality of a good business plan?
- A. Funding
 - B. Broad
 - C. Realistic
 - D. Conventional
- (2 marks)
13. Which one of the following items is a section in a business plan?
- A. Audience analysis
 - B. Market analysis
 - C. Pricing strategies
 - D. Promotion strategies
- (2 marks)
14. Jared Owino wishes to convert his sole proprietorship business to a private limited company. Which one of the following could be the reason for making this decision?
- A. Less legal compliance
 - B. Continuity of existence
 - C. Reduced set-up costs
 - D. Desire for confidentiality
- (2 marks)
15. Which one of the following reasons is considered when choosing a sole proprietorship form of business entry?
- A. Number of lenders
 - B. Level of control
 - C. Delegation of duties
 - D. Capital investors
- (2 marks)
16. Which one of the following terms describes a business entry option that offers an entrepreneur a complete business format?
- A. Trade name franchise
 - B. Pure franchising
 - C. Distribution franchise
 - D. Product licensing
- (2 marks)

17. Which one of the following persons provides debt capital to a business entity?
A. Lender
B. Investor
C. Shareholder
D. Equity holder (2 marks)
18. Which one of the following is a source of finance for a small start-up business?
A. Working capital
B. Formal capital
C. Retained earnings
D. Venture capital (2 marks)
19. Which one of the following factors explains why an entrepreneur could prefer to use debt capital over equity capital?
A. Has no repayment obligation while equity capital does not
B. No additional financial burden while equity capital does not
C. Interest is a tax-deductible expense while equity capital does not
D. Has history of poor credit rating while equity capital does not (2 marks)
20. Which one of the following statements describes a possible drawback to an entrepreneur of using personal savings to finance a new business enterprise?
A. The amount will need to be repaid with interest
B. The amount available may be limited
C. It is an expensive form of finance
D. The entrepreneur may lose control of the business (2 marks)
21. Joram Kiptoo intends to sell custom-made furniture at a high price to wealthy individuals within his neighbourhood. This is a form of _____.
A. market positioning
B. market discrimination
C. market targeting
D. market segregation (2 marks)
22. Which one of the following limitations is associated with conducting customer surveys?
A. Inadequate reference materials for the required information
B. Unwillingness of respondents to give personal information
C. Collection of information that is not from original sources
D. Variables may be categorised differently from what is desired (2 marks)
23. Ufundi Limited promotes its products through salespersons who call on individual customers and conduct demonstrations.

Which one of the following techniques of product promotions is conducted by Ufundi Limited?
A. Advertising
B. Publicity
C. Sales exhibition
D. Personal selling (2 marks)
24. Which one of the following factors explains the importance of choosing an ideal business location?
A. Impact on weather patterns
B. Impact on customer convenience
C. Ensure good neighbourhood
D. Ensure employees find it easily (2 marks)
25. Which one of the following factors could determine the type of permits that a business should have?
A. Amount of tax paid
B. Cost of the permit
C. Nature of business
D. Size of the premises (2 marks)

26. Which one of the following is the primary purpose of offering discounts to customers?
- A. Increase the perceived value of the product
 - B. To reduce the company's operating costs
 - C. To attract new customers and increase sales
 - D. To increase employee satisfaction
- (2 marks)
27. Which one of the following functions of management involves determining the structure and allocation of duties?
- A. Recruitment
 - B. Delegating
 - C. Organising
 - D. Controlling
- (2 marks)
28. Controlling function of management involves _____.
- A. arranging, structuring and grouping activities
 - B. motivating, communicating and leading people
 - C. forecasting, supervising and evaluating performance
 - D. monitoring, comparing and correcting deviations
- (2 marks)
29. Which one of the following managerial tools is viewed as a means of control?
- A. Structure
 - B. Technology
 - C. Budget
 - D. Forecasts
- (2 marks)
30. Information roles of a manager includes _____.
- A. leadership, entrepreneurship and liaison roles
 - B. figurehead, spokesperson and liaison roles
 - C. negotiator, resource allocator and monitoring
 - D. monitoring, disseminating and spokesperson roles
- (2 marks)
31. Kelvin Lamayan, a supervisor, patiently listens to employees' grievances.
- Which one of the following management skills does Kelvin possess to effectively perform this role?
- A. Conceptual skills
 - B. Technical skills
 - C. Interpersonal skills
 - D. Problem-solving skills
- (2 marks)
32. Judith Mweni is a branch manager of a large corporation. Which one of the following levels of management is Judith Mweni in?
- A. Top level
 - B. Lower level
 - C. Middle level
 - D. Supervisory level
- (2 marks)
33. Which one of the following statements represents the first step of effective problem solving?
- A. Evaluate the problem
 - B. Summarise the problem
 - C. Define the problem
 - D. Brainstorm on solution
- (2 marks)
34. Which of the following is **NOT** an element of an organisational structure?
- A. Categorisation
 - B. Decentralisation
 - C. Formalisation
 - D. Centralisation
- (2 marks)
35. Which one of the following is an advantage of maintaining an inward mail register?
- A. Ensures that mail is promptly posted
 - B. Keeps accurate records of postage expenses
 - C. Helps to fix responsibility for lost mail
 - D. Ensures that mail is opened securely
- (2 marks)

36. Which one of the following statements explains how a mailing clerk should deal with enclosures?
- A. Attach them to covering letter
 - B. File them for future reference
 - C. Submit them promptly for signing
 - D. Fold and place in an envelope
- (2 marks)
37. Which one of the following methods of transmitting messages has given rise to a paperless office?
- A. Post office
 - B. Fax messages
 - C. E-mails
 - D. Special messengers
- (2 marks)
38. Which one of the following statements explains a characteristic of autocratic leadership?
- A. Encourages consultation and participation
 - B. Associated with delayed decision-making
 - C. Facilitates the decentralisation of power
 - D. Unilateral decision-making
- (2 marks)
39. Which one of the following statements describes a situation where horizontal filing could be used?
- A. Where documents to be filed are large in size
 - B. Where space available for filing is inadequate
 - C. Where there is need for quick retrieval of papers
 - D. If the organisation is made up of many departments
- (2 marks)
40. Which one of the following techniques could contribute to easy access and retrieval of electronic records?
- A. Use of elastic system
 - B. Effective file naming
 - C. Proper file sharing
 - D. Use of a single folder
- (2 marks)
41. Which one of the following statements explains the term “recruitment” in the staffing process?
- A. Process of assigning jobs to new employees
 - B. Creating job familiarity to new employees
 - C. Process of attracting potential employees
 - D. Choosing the best candidate for promotion
- (2 marks)
42. Which one of the following documents could be a guide in recruiting the right employees?
- A. Training manual
 - B. Job description
 - C. Orientation guide
 - D. Employment list
- (2 marks)
43. Employee promotions and cash bonuses are forms of _____.
- A. intrinsic motivation
 - B. negative motivation
 - C. financial motivation
 - D. external motivation
- (2 marks)
44. Which one of the following styles of managing conflict is correctly matched with its meaning?
- A. Avoidance-giving in and letting the other party win
 - B. Accommodating-pursuing one’s own desired solution
 - C. Collaborating-finding a solution that works for all parties
 - D. Competing-finding a solution that partially satisfies all
- (2 marks)
45. Which one of the following measures could be undertaken to reduce employees’ prolonged exposure to health hazards and risks?
- A. Having designated staff uniform
 - B. Installing electronic systems
 - C. Controlling staff work time
 - D. Conducting regular roll calls
- (2 marks)

46. Which one of the following leadership styles allows employees complete freedom to make decisions without interference from management?
- A. Autocratic
 - B. Democratic
 - C. Laissez-faire
 - D. Transformational
- (2 marks)
47. Which one of the following characteristics is associated with the start-up stage of business growth?
- A. Owner is assured of a workable business model
 - B. Generation of enough cash flow to break-even
 - C. Business can survive in this stage indefinitely
 - D. Experimenting with several value propositions
- (2 marks)
48. Which one of the following statements is an indicator of firm's success at the start-up stage of growth?
- A. Steady and adequate cash flow
 - B. Develop strategies for competition
 - C. Saturation of similar products in market
 - D. Change of existing management style
- (2 marks)
49. Which one of the following statements explain the challenges experienced by entrepreneurs during the idea generation stage?
- A. Inadequate management skills
 - B. Regulation and compliance
 - C. Lack of creativity
 - D. Inadequate capital
- (2 marks)
50. Which one of the following strategies is often employed during the stabilisation stage of a business cycle?
- A. Defensive market penetration
 - B. Cost-cutting and efficiency improvements
 - C. Diversification into unrelated markets
 - D. Complete overhaul of the business model
- (2 marks)
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CAMS LEVEL I

PRINCIPLES OF ENTREPRENEURSHIP AND MANAGEMENT

MONDAY: 19 August 2024. Morning Paper.

Time Allowed: 2 hours.

This paper consists 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 one of the following is a characteristic of small-scale entrepreneurs?
 - A. Flexibility in operations
 - B. Specialised knowledge
 - C. Unlimited resources
 - D. Longer gestation period(2 marks)
2. Entrepreneurs could contribute to balanced regional development in the country by _____.
 - A. ensuring taxes are high and paid in time
 - B. exporting surplus manufactured goods
 - C. setting up industries in rural areas
 - D. forming useful business networks(2 marks)
3. Which one of the following factors could discourage entrepreneurial culture in a country?
 - A. Lack of committed role models
 - B. Unexploited local resources
 - C. Lack of white-collar jobs
 - D. High government subsidies(2 marks)
4. Which one of the following types of entrepreneurs could easily be pushed out of the market due to rapid innovations?
 - A. Imitative entrepreneurs
 - B. Corporate entrepreneurs
 - C. Modern entrepreneurs
 - D. Drone entrepreneurs(2 marks)
5. Mwarimbo Jones is a commercial poultry farmer located in a rural setting.
Which one of the following is a way in which he could contribute to the economic development of the country?
 - A. Paying taxes when due
 - B. Relocating the business to the city
 - C. Sharing the eggs with neighbours
 - D. Increasing importation of animal feeds(2 marks)
6. Which one of the following is a challenge that could be experienced by an entrepreneur due to unfavourable government regulations?
 - A. Mismanagement of business
 - B. Availability of licenses
 - C. High cost of compliance
 - D. Lack of skills and experience(2 marks)

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7. Mwandikwa Kalulu is a business owner who believes that the success or failure of the business depends on fate or luck.
Which one of the following entrepreneurial characteristics does Mwandikwa Kalulu lack?
- A. Persistent problem solving
 - B. Internal locus of control
 - C. Need for achievement
 - D. Autonomy and independence
- (2 marks)
8. Which one of the following types of entrepreneurship could be undertaken by a charitable organisation?
- A. Hustler entrepreneurship
 - B. Free entrepreneurship
 - C. Social entrepreneurship
 - D. Public entrepreneurship
- (2 marks)
9. Which one of the following is a way in which an entrepreneur could make use of focus groups?
- A. Making strategic decisions
 - B. Looking for business finance
 - C. Preventing business risks
 - D. Generating business ideas
- (2 marks)
10. Which one of the following components of a business plan describes the purpose and scope of the entrepreneurial venture?
- A. Operations plan
 - B. Business description
 - C. Organisational plan
 - D. Production plan
- (2 marks)
11. Which one of the following explains the reason why an entrepreneur needs a new business idea?
- A. Demonstrate self-confidence
 - B. Identify market for goods
 - C. Develop a competitive edge
 - D. Avoid the use of technology
- (2 marks)
12. Which one of the following is a factor to be considered when evaluating a business idea?
- A. Availability of many ideas
 - B. Legal form of business
 - C. Methods of promotion
 - D. Personal competencies
- (2 marks)
13. Tax consideration is an important factor while choosing the form of business ownership.
In relation to the statement above, which one of the following statements describes double taxation?
- A. Tax charged on both the gross and net profit
 - B. Payment of tax by a company twice in a year
 - C. Tax charged on profits and dividends received
 - D. Payment of corporation tax and value added tax
- (2 marks)
14. Which one of the following statements describes the term “joint venture”?
- A. The merging of two small businesses to form a larger independent entity
 - B. Combination of single projects that cannot be effectively achieved alone
 - C. Buying an additional business that complements the already existing one
 - D. Relationship that exists between two or more persons who form a business
- (2 marks)
15. Which one of the following statements explains why a company is costly to establish?
- A. Requires investment in large venture capital
 - B. Has to comply with several legal requirements
 - C. Requires investment in expansion strategies
 - D. Has many alternative ways of raising capital
- (2 marks)

16. Which one of the following is a disadvantage of running a sole proprietorship form of business?
A. Inflexibility in transfer of business
B. No sharing of business profits
C. Owner has unlimited liability
D. Long decision-making process (2 marks)
17. Which one of the following sources of capital is also referred to as risk capital?
A. Debt capital
B. Informal capital
C. Crowd funding
D. Equity capital (2 marks)
18. Which one of the following is a characteristic of equity finance?
A. Must be provided by a single financier
B. Involves selling of fixed income products
C. Must be repaid back to the financier
D. Usually raised by all types of ventures (2 marks)
19. Which one of the following is a benefit that a venture capitalist expects to get after investing in a business?
A. Capital gains from selling of shares
B. Interest charged on money invested
C. Return of their original investment
D. Mentorship and business networks (2 marks)
20. Which one of the following statements refers to a way in which entrepreneurs could avoid giving up control of their business at the start-up stage?
A. Form strong partnerships with equity investors only
B. Raise the needed capital from venture capitalists
C. Avoid use of high interest, short-term debt capital
D. Launch the business using personal financing (2 marks)
21. Which one of the following statements explains the reason why it is important to search and reserve a business name in the process of registering a business?
A. Acquire a business certificate
B. Ensure the business is legal
C. Ensure the name is known
D. Ensure the name is unique (2 marks)
22. Business permits are issued by _____.
A. county government
B. revenue authority
C. cabinet secretary
D. business incubator (2 marks)
23. Which one of the following marketing-mix components could help increase brand recognition?
A. Place
B. Product
C. Promotion
D. Price (2 marks)
24. Which one of the following could be an outcome of customer satisfaction?
A. Good customer service
B. Customer loyalty
C. Reasonable pricing
D. Quality products (2 marks)
25. Which one of the following is a term used to describe the effort taken by entrepreneurs to ensure customers do not switch to competitors' products?
A. Customer attraction
B. Market expansion
C. Market acquisition
D. Customer retention (2 marks)

26. Which one of the following terms explains a projected course of action?
A. Goal
B. Plan
C. Mission
D. Target (2 marks)
27. Which one of the following statements describes the term forecasting?
A. Avoiding unfavorable events
B. Determination of objectives
C. Prediction of possible changes
D. Determining schedules of work (2 marks)
28. Which one of the following levels of management is also known as operational management?
A. Top management
B. Board of directors
C. First line management
D. Strategic management (2 marks)
29. Which one of the following statements explains how failure to plan could adversely affect the controlling function of management?
A. Lack of deviations to correct
B. Lack of standards to compare
C. Poor utilisation of resources
D. Failure to foresee uncertainties (2 marks)
30. Which one of the following is a way in which conceptual skills are useful in management?
A. Helps the manager to effectively supervise staff
B. Helps to deal effectively with conflict among staff
C. Encourages employee participation and involvement
D. Helps in identifying and exploiting new opportunities (2 marks)
31. Which one of the following terms describes the manager's role of arranging tasks, people and resources to achieve goals?
A. Leading
B. Planning
C. Controlling
D. Organising (2 marks)
32. Which one of the following is a managerial role that involves setting priorities about the use of organisation's facilities?
A. Spokesperson role
B. Liaison role
C. Leadership role
D. Resource allocation (2 marks)
33. Which one of the following terms is used to explain the ability to influence employees to pursue organisational goals?
A. Dissemination
B. Leadership
C. Coercive power
D. Reward power (2 marks)
34. Which one of the following is a challenge experienced at the continuous growth stage of an organisation?
A. Choosing the best idea
B. Role of founder is not defined
C. Need for financing the firm
D. Distributing the firm's profits (2 marks)

35. Michael Kililo, the managing director of Kopa Limited, recently represented the company in a tree planting ceremony organised by the county government.
Which one of the following management roles was performed by Michael Kililo?
- A. Figure head
 - B. Liaison role
 - C. Leader role
 - D. Spokesman
- (2 marks)
36. Which one of the following represents types of plans?
- A. Controls, rules, objectives and goals
 - B. Structures, deviations, missions and budgets
 - C. Policies, programs, procedures and schedules
 - D. Reports, tasks, schedules and strategies
- (2 marks)
37. In the context of management roles, which one of the following statements describes a manager as an entrepreneur?
- A. Deals with operational problems
 - B. Schedules subordinates' work
 - C. Initiates change in the organisation
 - D. Gathers useful external information
- (2 marks)
38. Which one of the following statements explains why technical skills are important for lower-level managers?
- A. Enable them supervise employees effectively
 - B. Enable them keep track of the environment
 - C. Solve complex problems in the organisation
 - D. Help them improve their interpersonal skills
- (2 marks)
39. Which one of the following roles is performed by middle level managers in an organisation?
- A. Establishing mission
 - B. Interpreting policies
 - C. Arranging tools
 - D. Overall control
- (2 marks)
40. Which one of the following statements is a reason that makes backing up electronic data important in an organisation?
- A. Protect data against unauthorised access
 - B. Guard against loss of important information
 - C. Ensure efficiency in information retrieval
 - D. Ensure easy storage and use of information
- (2 marks)
41. Which one of the following statements explains sorting of inward mail in an organisation?
- A. Separating incoming and outgoing mail
 - B. Group incoming mail in a specific order
 - C. Stamping the date and time of receipt
 - D. Recording mail in the mail inward register
- (2 marks)
42. Which one of the following represents the order of a typical filing routine?
- A. Collecting, coding, sorting, indexing and cross referencing
 - B. Collecting, sorting, cross-referencing, indexing and coding
 - C. Collecting, indexing, cross-referencing, coding and sorting
 - D. Coding, sorting, cross-referencing, indexing and collecting
- (2 marks)
43. Which one of the following statements describes visionary leaders?
- A. Leaders with ability to foresee the future potential of an organisation
 - B. Leaders who come up with the overall interim goal of an organisation
 - C. Leaders who bring positive change in their followers' behaviour
 - D. People recognised and acknowledged in the society as leaders
- (2 marks)

44. Which one of the following statements describes a job specification?
A. Statement summarising the duties and responsibilities in a job
B. Detailed analysis of each job or position in an organisation
C. Statement of minimum requirements to be able to do a job
D. Nature and scope of a job in terms of tasks and operations (2 marks)
45. Which of the following documents could entrepreneurs use to help them prioritise an organisation's hiring needs?
A. Job description
B. Job design
C. Skills profile
D. Hiring firms (2 marks)
46. Which one of the following is a responsibility of employees in taking care of their health and safety at the workplace?
A. Providing protective clothing
B. Leaving their working areas
C. Reporting injuries and strains
D. Maintain workplace records (2 marks)
47. Which one of the following skills could be required by management to successfully negotiate and solve conflicts?
A. Coordinating skills
B. Communication skills
C. Planning skills
D. Supervisory skills (2 marks)
48. Which one of the following could be a cause of trips and falls at the work place?
A. Workplace stress
B. Poor ventilation
C. Poor lighting
D. Unoccupied space (2 marks)
49. Which one of the following is a challenge experienced by an entrepreneur at the growth stage of a business?
A. Creating and attracting a stable customer base.
B. Addressing the increasing customer demand
C. Reinventing the business to remain relevant
D. Deciding on the form of business ownership (2 marks)
50. Which one of the following actions should be the focus of an entrepreneur at the seed stage of business growth?
A. Expanding management team
B. Automation and outsourcing
C. Training and hiring employees
D. Undertaking business planning (2 marks)
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CAMS LEVEL I

PRINCIPLES OF ENTREPRENEURSHIP AND MANAGEMENT

MONDAY: 22 April 2024. 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. Identify a characteristic displayed by an entrepreneur who introduces new products in the market.
 - A. Credibility
 - B. Tolerance
 - C. Innovativeness
 - D. Reliability(2 marks)
2. Which one of the following challenges is associated with entrepreneurship?
 - A. Inflexibility of work
 - B. High demand
 - C. Low competition
 - D. Loss of investment(2 marks)
3. Choose a role played by entrepreneurship to the economic development of a country.
 - A. Capital formation
 - B. Provision of subsidies
 - C. Licensing of business
 - D. Determining form of business(2 marks)
4. Which of the following factors could motivate an individual to become an entrepreneur?
 - A. Management
 - B. Unemployment
 - C. Risk taking
 - D. High competition(2 marks)
5. Identify a factor that could enhance corporate entrepreneurship among businesses today.
 - A. Business registration
 - B. Working environment
 - C. Business strategies
 - D. Competitive environment(2 marks)
6. Identify the statement that describes an entrepreneur as a risk-taker.
 - A. Achieving goals by targeting a greater number of customers
 - B. Having to form their own opinion without consulting others
 - C. Searching new ways and techniques of production and marketing
 - D. Implementing decisions whose success cannot be guaranteed(2 marks)
7. Which of the following strategies could be used as a method of generating new business ideas?
 - A. Legal compliance
 - B. Business downsizing
 - C. Internet research
 - D. Business planning(2 marks)

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8. Which of the following reasons could make a start-up entrepreneur seek the services of a business incubator?
- A. Reduced cost of launching a business
 - B. The fear of starting a business alone
 - C. Helps in taking calculated risk
 - D. Helps in brainstorming of ideas
- (2 marks)
9. Identify a term used to describe the process of generating multiple ideas to solve a business problem.
- A. Diversification
 - B. Brainstorming
 - C. Specialisation
 - D. Standardisation
- (2 marks)
10. Choose a method that could be used to promote an entrepreneurial culture within an organisation.
- A. Condemn business failure
 - B. Recognise entrepreneurs
 - C. Enhance stigma for failure
 - D. Discourage diversity
- (2 marks)
11. Identify a benefit obtained by writing and presenting a good business plan.
- A. Generate new business idea
 - B. Increase liability of business
 - C. Increased chance of success
 - D. Greater legal compliance
- (2 marks)
12. Which of the following factors distinguishes a partnership from a sole proprietorship?
- A. Few legal formalities
 - B. Has unlimited liability
 - C. Total control of business
 - D. Capacity for more capital
- (2 marks)
13. Which of the following forms of business allows easy change of ownership?
- A. Franchise arrangement
 - B. Partnership business
 - C. Public limited company
 - D. Private limited company
- (2 marks)
14. Choose a characteristic displayed by a partnership form of business ownership.
- A. Enjoy perpetual succession
 - B. Maintenance of business secrets
 - C. Sharing of duties in management
 - D. Shares are easily transferred
- (2 marks)
15. Identify the form of business ownership whose success relies more on the owner's ability.
- A. Company
 - B. Sole proprietorship
 - C. Franchise
 - D. Joint-venture
- (2 marks)
16. Choose a disadvantage of obtaining debt financing for business growth.
- A. Payback with interest
 - B. Full control of business
 - C. Shares business profits
 - D. Retains ownership
- (2 marks)
17. Which one of the following business entry options offers owners greater protection from personal liability?
- A. Company
 - B. Sole proprietorship
 - C. Partnership
 - D. Franchise
- (2 marks)

18. Identify a reason that could make an entrepreneur use debt capital to finance a small start-up business.
A. Inadequate working capital
B. Writing a business plan
C. Encourage investors
D. Nonpayment of interest (2 marks)
19. Which one of the following services provided by business incubators to entrepreneurs helps in capacity building?
A. Access to financing
B. Market research
C. Space availability
D. Business mentoring (2 marks)
20. Which one of the following statements explains the reason why some franchisors control the site selection process?
A. Ensure standardised business location
B. Know where franchisee is located
C. Ensure suitable business location
D. Enhance standardised operations (2 marks)
21. Which one of the following is a benefit obtained by an organisation for having a well-defined target market?
A. Increased competition
B. Reduced marketing costs
C. Limited customer base
D. Decreased product demand (2 marks)
22. Which one of the following legal requirements does an entrepreneur need to successfully set up a business?
A. Unique personal identification
B. Personal identification number
C. Write a business proposal
D. Business certificate number (2 marks)
23. Which one of the following is the first step in the process of registering a business name?
A. Applying for a business licenses
B. Searching and reserving a name
C. Submitting documents to registrar
D. Submitting reservation certificate (2 marks)
24. Usafi enterprises provides cleaning services to urban households and businesses. There have been positive testimonies of satisfied customers on social media about their excellent services.
Which of the following marketing-mix element is demonstrated by the positive customer reviews?
A. Promotion
B. Physical evidence
C. Processes
D. People (2 marks)
25. Identify a description for a person who offers financing in exchange for part ownership.
A. Franchising partner
B. Angel financing
C. Equity investor
D. Acquiring partner (2 marks)
26. Choose the term that explains the process of achieving organisational goals with and through people.
A. Planning
B. Management
C. Intrapreneurship
D. Staffing (2 marks)
27. Which one of the following is part of the organising function of a manager?
A. Selecting the organisation's mission statement
B. Designing effective organisation structure
C. Recruitment of appropriate employees
D. Influencing the activities of subordinates (2 marks)

28. Which one of the following managerial positions represents the strategic level?
A. Top level
B. Middle level
C. Lower level
D. Supervisory level (2 marks)
29. Which of the following is an aim of controlling as a management function?
A. Providing guidance to employees
B. Creation of authority and responsibility
C. Man-power planning and appraisal
D. Ensuring events conform to plans (2 marks)
30. Why would an organisation prefer using an electronic filing system?
A. Easy to store records in cabinets
B. Minimum data storage
C. Takes up a large space
D. Easy to control access (2 marks)
31. Which one of the following is a feature of leadership?
A. Relies on formal positions in an organisation
B. Involve exercise of interpersonal influence
C. Exercised both on human and non-human resources
D. Concerned with conformity with organisation rules (2 marks)
32. Choose a managerial role that involves setting priorities about the use of firm's facilities.
A. Spokesperson role
B. Liaison role
C. Leadership role
D. Resource allocator (2 marks)
33. Identify the phase of growth where a business determines its core strengths and capabilities.
A. Early growth stage
B. Maturity stage
C. Introduction stage
D. Continuous growth (2 marks)
34. Which one of the following terms refers to identifiable stages of growth experienced by organisations?
A. Business expansion
B. Product cycle
C. Life cycle
D. Price stability (2 marks)
35. Choose the meaning of the term "sustained growth" experienced by business organisations.
A. Increase in sales over a short term
B. Increase in products in short term
C. Increase in profits over a long term
D. Increase in aggressive competition (2 marks)
36. Which one of the following statements could indicate that a business is growing too fast?
A. Over-stretched staff
B. Rising product quality
C. Few customer's complaints
D. Rising productivity (2 marks)
37. Which one of the following statements is the role of top management in relation to the planning function?
A. Determination of business policies
B. Control exit and entry of people
C. Representing the organisation
D. Arranging materials and tools (2 marks)

38. Which one of the following statements is a component of the organising function of management?
A. Monitoring the achievement of goals
B. Directing and motivating employees
C. Orientation and induction of staff
D. Assigning responsibility and authority (2 marks)
39. Identify a benefit that an organisation could derive from an effective control system.
A. Useful in establishing contacts with experts
B. Scheduling the delegation of authority
C. Ensure timely correction of operational errors
D. Gives direction to activities in an organisation (2 marks)
40. Which of the following management roles focuses on interpersonal contact?
A. Liaison role
B. Monitor role
C. Entrepreneurial role
D. Allocation role (2 marks)
41. Identify the statement that explains 'up to date' with reference to an effective filing system.
A. Only very current documents should be filed
B. Ensure files are renewed after a certain period
C. Records should be filed on a continuous basis
D. Documents should be filed after proper dating (2 marks)
42. Identify a way in which speed could be enhanced while handling outward mail.
A. Making special delivery arrangements with post office
B. Prompt distribution to appropriate departments
C. Having time schedule for collection and dispatch
D. Sorting and recording mail before distribution (2 marks)
43. Choose the term used to describe the process of assigning managerial authority and responsibility to employees
A. Centralisation
B. Decentralisation
C. Delegation
D. Controlling (2 marks)
44. Identify a limitation of using monetary rewards to motivate employees.
A. May be subjective
B. Difficult to measure
C. Offer intangible rewards
D. Motivation is short-lived (2 marks)
45. Which of the following factors is a health and safety hazard at the work place?
A. Building ventilations
B. Fire extinguisher
C. Extreme noise
D. Clean environment (2 marks)
46. Which of the following functions of management involves providing leadership and motivation?
A. Staffing
B. Controlling
C. Directing
D. Planning (2 marks)
47. Which one of the following factors distinguishes leadership from management?
A. Concerned with achievement of goals
B. Exerting influence on people
C. Gets things done through other people
D. Leadership relies on formal authority (2 marks)

48. Identify the objective of establishing an effective filing system in an organisation.
- A. Implementing electronic systems
 - B. Ensure easy accessibility of records
 - C. Inappropriate classification of records
 - D. Evaluation of data stored physically
- (2 marks)
49. Identify the key purpose of stamping inward mail.
- A. Ensure mail is recorded
 - B. Indicate initials of sender
 - C. Indicate value of stamp
 - D. Indicate the date received
- (2 marks)
50. Which one of the following factors could improve employee morale in an organisation?
- A. Promotion of employees
 - B. Employee redundancy
 - C. Employee demotions
 - D. Employee separation
- (2 marks)
-

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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)

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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)

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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)
-



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 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)
-



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: 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)
-

1. The first part of the paper is devoted to a general discussion of the problem of the existence of solutions of the system of equations (1) for arbitrary values of the parameters α and β .

2. In the second part, we consider the case of the existence of solutions of the system of equations (1) for arbitrary values of the parameters α and β .

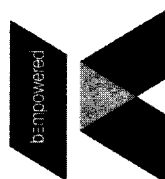
3. In the third part, we consider the case of the existence of solutions of the system of equations (1) for arbitrary values of the parameters α and β .

4. In the fourth part, we consider the case of the existence of solutions of the system of equations (1) for arbitrary values of the parameters α and β .

5. In the fifth part, we consider the case of the existence of solutions of the system of equations (1) for arbitrary values of the parameters α and β .

6. In the sixth part, we consider the case of the existence of solutions of the system of equations (1) for arbitrary values of the parameters α and β .

7. In the seventh part, we consider the case of the existence of solutions of the system of equations (1) for arbitrary values of the parameters α and β .



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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)

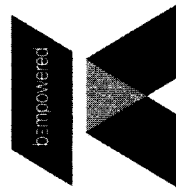
You are advised not to exceed forty words in answering questions number 50 to 60.

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)
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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)

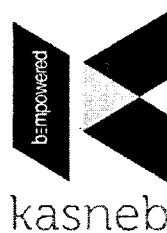
(Total: 20 marks)

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)

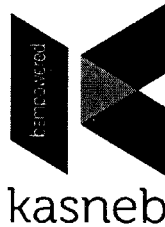
QUESTION SEVEN

(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)



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

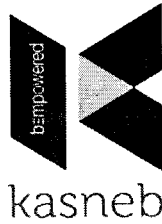
- (a) Summarise ten qualities of a successful manager. (10 marks)
- (b) With reference to teamwork:
- (i) Explain the meaning of the term “team building”. (2 marks)
- (ii) Describe four stages a group passes through in the process of developing an effective team. (8 marks)
- (Total: 20 marks)

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

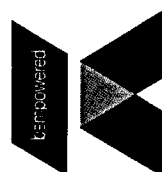
- (a) Outline five key attributes that could be considered when recruiting a receptionist in an organisation. (5 marks)
 - (b) Explain five reasons why managers could be reluctant to delegate authority to their subordinates. (5 marks)
 - (c) Discuss five reasons why planning is important in an organisation. (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) Espirit 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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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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