



Riara School of Business
Nurturing business innovators
JANUARY– APRIL 2024 TRIMESTER
EXAMINATION FOR BACHELOR OF BUSINESS ADMINISTRATION
DAY PROGRAMME
RBA 406: SMALL BUSINESS MANAGEMENT

DATE: APRIL 2024

TIME: 2 HOURS

GENERAL INSTRUCTIONS:

Students are NOT permitted to write on the examination question paper during examination time. This is a closed-book examination. Therefore, textbooks/Reference books/notes are not permitted.

SPECIAL INSTRUCTIONS

1. Write your REGISTRATION NO. Clearly on the answer booklet(s).
2. Answer Question One and ANY other TWO questions.
3. Questions in all sections should be answered in answer booklet(s)
4. PLEASE start the answer to EACH question on a NEW PAGE.
5. For the questions, write the number of the question on the answer booklet(s) in the order you answered.
6. Write on both sides of each leaf and indicate number of each question at the top of each page.
7. Write the answers in a paragraph form unless stated otherwise.
8. Marks allocated to each question are shown at the end of the question.
9. All rough work must be done on the answer booklet and crossed through!
10. Use supplementary pages only when you have exhausted those in this book
11. Fasten the supplementary pages to the inside back cover of this booklet

QUESTION ONE: COMPULSORY (30 MARKS)

- a) It is an interesting time to study small business, Elaborate **FIVE** reasons why this is so. **(10 marks)**
- b) Examine **FIVE** issues family-owned businesses have to deal with as they run their operations. **(5 marks)**
- c) Differentiate between **limited partnership** and **limited liability partnership** stating the advantage of each. **(5 marks)**
- d) Evaluate **FIVE** reasons for and **FIVE** against buying an existing business **(10 marks)**

QUESTION TWO

- a) Discuss the **FOUR** main components of a Business Plan **(8 marks)**
- b) Entrepreneurship is said to be the backbone of most successful economies, Assess **SIX** challenges the Kenyan youth entrepreneurs face in their endeavor to contribute in economic development of the country. **(12marks)**

QUESTION THREE

- a) Analyze **FIVE** ways through which Information Technology can give an entrepreneur a competitive advantage **(10 marks)**
- b) A business needs protection from scrupulous businesses or individuals. Describe **FIVE** reasons why understanding intellectual property rights will help safeguard small firms. **(10 marks)**

QUESTION FOUR

- a) Examine **SIX** reasons why planning for your human resources in your small business is important? **(12 marks)**

- b)** Explain the why equity and debt financing models are used clearly indicating the role each plays in the capital structure of a firm. **(8 marks)**