



# THE CATHOLIC UNIVERSITY OF EASTERN AFRICA

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**MAY- AUGUST 2021**

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**DEPARTMENT OF GRADUATE BUSINESS STUDIES**

**REGULAR/ODEL PROGRAMME**

**CEN 612: MANAGING ENTREPRENEURIAL GROWTH**

<b>Date: AUGUST 2021</b>	<b>Duration: 3 Hours</b>
<b>INSTRUCTIONS: Answer ANY FOUR Questions</b>	

## **JOINT VENTURE BETWEEN KIT ENTERPRISES AND JOAM DISTRIBUTORS**

**Q1.** KIT Enterprises is a bottle recycling firm located in the industrial city of Mwanza in Tanzania. For the last 10 years, the firm has enjoyed exponential expansion and growth. This has seen KIT Enterprises opening up branches all over Mwanza city and even in the neighbouring towns. The customer base has also expanded rapidly as witnessed by the popularity of the products all over the region and beyond. However, the rapid growth and expansion of KIT Enterprises has created a challenge that if not immediately mitigated may create problems in the near future. The firm can no longer manage the logistics of transporting its products on timely schedules to the expanding branches and customer base. This is a challenge that the management is grappling with for the last five months. Luckily for the management of KIT Enterprises, JOAM Distributors, the leading distribution and logistics firm in Mwanza city has agreed for a creation of a joint venture to solve the distribution challenge of KIT Enterprises.

- a) Creation of a joint venture is a solution that KIT enterprises has adopted to manage its distribution challenges. As an entrepreneur expound on five advantages of a joint venture **(5 marks)**
- b) The joint venture between KIT Enterprises and JOAM Distributors may have mutual benefits for the two firms. Similarly, there are challenges that may crop up. Explain five limitations of a joint venture **(5 marks)**
- c) The joint venture between KIT Enterprises and JOAM Distributors may entail the new created venture enjoying rapid growth that may necessitate going abroad. Discuss the five ways that the joint venture may decide to go abroad **(5 marks)**

**Q2.**

- a) A futuristic firm may adopt diversification as a form of growth. Usually, there are four categories of diversification that a firm may adopt. Discuss the four categories of diversification **(8 marks)**
- b) The management of an enterprise should understand that there is no uniform type of diversification adopted by enterprises. It varies from enterprise to enterprise. Explain any four types of diversification **(7 marks)**

**Q3.**

- a) There are different types of motivations that can drive individuals into entrepreneurship. In the model by Mohan Babu, four such models are discussed. Using this model, explain the four ways that proactive individuals may join entrepreneurship **(8 marks)**
- b) The Entrepreneurial Behaviour Predictor Model for entrepreneurial behaviours can be expressed as a function of entrepreneurship readiness factors, triggering factors and barriers to entrepreneurship. Discuss the two triggering factors and one barrier factor **(7 marks)**

**Q4.**

- a) Clearly explain the various issues organization that have given birth to the need for corporate entrepreneurship **(5 Marks)**
- b) It is important for an organization to encourage the development of entrepreneurial environment and restructuring of corporate thinking. Discuss how an organization may undertake this noble duty **(5 marks)**
- c) Explain the five critical steps that organization may employ in creation of corporate entrepreneurship strategy **(5 marks)**

**Q5.**

- a) An entrepreneur may employ creation of networks as a growth strategy. Such networks should possess certain qualities that may lead to eventual growth of an enterprise. Discuss four qualities of a good network **(8 Marks)**
- b) Formation of networks is an important milestone that may lead to growth of an enterprise. Explain the various benefits of networks to an entrepreneur **(7 marks)**