



KIBABII UNIVERSITY COLLEGE (KIBUCO)

MAIN CAMPUS

**UNIVERSITY EXAMINATIONS
2014 /2015 ACADEMIC YEAR**

FIRST YEAR FIRST SEMESTER EXAMINATIONS

MAIN EXAMINATION

FOR THE DIPLOMA

IN

INFORMATION TECHNOLOGY

COURSE CODE: DIT 061

COURSE TITLE: IT ENTREPRENEURSHIP

DATE: 21ST JANUARY 2015

TIME: 8.00-10.00 a.m.

INSTRUCTIONS TO CANDIDATES:

Answer Question ONE and any other Two Questions

TIME: 2 Hours

QUESTION ONE COMPULSORY

Read the case below and answer the questions that follow

From farm hand to top mobile phones dealer

While growing up in Nyahururu, Laikipia County, Titus Ireris' dream was clear- to become a priest. His choice was partly influenced by his father, who was a catechist.

"I admired the vestments a catholic priest wears at mass and on Sunday. I could visualize myself one day in the pulpit, preaching the gospel to parishioners" Mr Ileri told *Money*. And when he sat for his Kenya Certificate of Secondary. And when he sat for his Kenya Certificate of Secondary Education examination in 2000, Mr. Ileri was optimistic that he would soon join a seminary. However, his dreams were dashed when he scored a D+. His vocation required a minimum entry grade of C+.

He toyed with the idea of repeating form Four, but he knew that his parents could not afford the fees. Therefore he got a job as a farm hand, where he earned shs.25 a day and as life became unbearable, he asked his brother, Francis Gathubi to take him to Nakuru in 2004 to try his luck at hawking. His father tried in vain to dissuade him. When he realized that his son was set on that course, he gave him shs. 1500 and a *debe* of maize. In Nakuru, Mr. Ileri started hawking electrical accessories.

For about three years, he saved every shilling as his business flourished, managing to raise shs. 30,000, which he used to replenish his stock. This marked a turning point for him as he was now able to expand his outfit. He started making a profit of between shs. 100,000 and shs. 150,000 a month.

The eighth born in a family of 11 does not regret abandoning his dream to be a priest as he is the proud owner of two shops.

"I had a passion for priesthood but as fate would have it, I never became one. I have no regrets because my dreams of becoming an entrepreneur after the first door was permanently shut have been fulfilled," he says

His stock is now worth millions of shillings and his shops in Nakuru are the hub of an increasing army of hawkers, who scramble for the latest phones and accessories. Interestingly, even as he freely interacts with the hawkers who flock his shop to bargain for better prices for phones that range between shs. 1000 and sh. 30,000, none of them has the slightest idea that a decade ago, he was a hawker just like them.

And for the man who was earning sh. 800 per month as a shamba boy (farm hand) about 14 years ago, Mr Ileri is today a regular traveler to China and Dubai; where he buys his goods

As his business expands, he is able to pay his landlord sh. 40,000 monthly rent for the two shops and salaries for his six permanent workers.

"I could not dream of taking a bank loan as I had no collateral. Today, with my enterprise I can comfortably walk into any bank or microfinance in Nakuru and apply for a loan in excess of shs. 1. Million," he adds.

Besides the two shops, he has a sleek car and has ventured into real estate. "Top on my agenda is to set up a mega distribution shop for mobile phones in Nakuru town in the next five years," Mr Ileri said.

- Adapted from Thursday September 25, 2014

- Daily Nation Money Magazine Pg 6
- a) Most people will not start businesses until they are prevented from living normal/usual lives. Discuss, drawing illustration from the case. (5 marks)
- b) A business has a life cycle with different phases. Identify these phases. Use a diagram to illustrate as well as Ileri's case. What are some of the duties/strategies of entrepreneur at each phase? (25 marks)

SECTION TWO

Answer any two questions

2. Entrepreneurs possess certain personal traits in common. Briefly explain ten of them. (20 marks)
3. The entrepreneur of a small business doubles up as the manager of the business. Discuss some of the management roles that he or she plays. (20 marks)
4. You want to start a cyber café at your Kibabii University students' centre. Explore the various sources of finance that you will resort to (20 marks)