1. Which of the following challenges facing entrepreneurs is associated with unfavorable legal environment? (2 marks)

A. Inadequate managerial training

B. Multiple licenses requirement

C. Failure to conduct research

D. Increased unemployment rate

**Answer: B**

2. Identify a strategy that an entrepreneur could use to address increased competition. (2 marks)

A. Explore alternative financing

B. Increase prices of products

C. Continuously innovate

D. Reduce rate of production

**Answer: C**

3. Identify a benefit that could accrue to an entrepreneur from maintaining a strong relationship with suppliers (2 marks)

A. Enhance efficient and timely delivery of inputs

B. Reduce level of competition in the market

C. Help in availing goods close to customers

D. Help in understanding of customer needs

**Answer: A**

4. Which of the following statements describe Fabian entrepreneurs? (2 marks)

A. Resistant to change and use conventional production methods

B. Visionary and seek new opportunities to develop new ideas

C. Adopt a cautious and incremental approach to entrepreneurship

D. Replicate successful business models in different markets

**Answer: A**

5. Identify a reason why it is important for an entrepreneur to evaluate a business opportunity in order to make an investment decision. (2 marks)

A. Determine entrepreneur’s goals

B. Extend the window of opportunity

C. Create a market for business products

D. Determine risks and rewards expected

**Answer: D**

6. Identify a way in which customer complaints could be useful to an entrepreneur. (2 marks)

A. Ensures that only loyal customers are served

B. Helps in identifying difficult customers

C. Could serve as a source of business ideas

D. Provides motivation to attract new customers

**Answer: C**

7. Which of the following is the key role of business incubation? (2 marks)

A. Regulating operations of small and medium enterprises

B. Ensuring efficient distribution of goods and services

C. Promoting the survival of existing successful companies

D. Assist in establishing and accelerating the growth of businesses

**Answer: D**

8. Select a characteristic that is common to both sole proprietorship and partnership form of business ownerships. (2 marks)

A. Easy to expand business

B. Fast decision-making

C. Few legal formalities

D. Limited control by owners

**Answer: C**

9. Which of the following is a benefit that could accrue to an entrepreneur from investing in a public company? (2 marks)

A. Ability to use personal talents in business

B. Liability is limited to the capital contributed

C. Acquires limited rights to transfer shares

D. There is control over business secrets

**Answer: B**

10. Which of the following is a characteristic of ordinary shares as a source of equity finance? (2 marks)

A. Fixed rate of dividends

B. Carry variable returns

C. Has no voting rights

D. Is a short-term finance

**Answer: B**

11. Identify a factor that could lead to new product failure. (2 marks)

A. Undertaking product differentiation

B. Presence of complimentary goods

C. Delivery of promotional benefits

D. Presence of substitute goods

**Answer: D**

12. Which of the following is a benefit of using an angel investor to fund a start-up? (2 marks)

A. Leads to equity dilution

B. No loss of business control

C. Connection to similar investors in the industry

D. Provides large debt capital

**Answer: C**

13. Kora Limited uses a three-dimensional sign to identify its products to consumers. What term is used to refer to such a sign? (2 marks)

A. Business name

B. Brand name

C. Copyright

D. Trademark

**Answer: D**

14. Which of the following is a requirement of a good market segment? (2 marks)

A. Original

B. Accessible

C. Memorable

D. Engaging

**Answer: B**

15. Identify a mistake that an entrepreneur should avoid while writing a business plan. (2 marks)

A. Making it too concise and brief

B. Making it flexible and adjustable

C. Making unrealistic predictions

D. Focusing on a specific market

**Answer: C**

16. A car manufacturer advertises its cars as the safest option for a family. What term refers to the marketing strategy used in the statement above? (2 marks)

A. Demographic marketing

B. Market penetration

C. Group marketing

D. Market positioning

**Answer: D**

17. Which of the following principles of communication matches with its correct meaning? (2 marks)

A. Concise – the message is objective

B. Correct – the message is accurate

C. Courteous – message is relevant

D. Complete – use of too many words

**Answer: B**

18. Identify the statement that explains the term “decoding” as an element of communication. (2 marks)

A. Converting thoughts into verbal or non-verbal symbols

B. Conscious or unconscious reaction to a message received

C. Process of making sense out of the message received

D. Receiving a message sent through a proper channel

**Answer: C**

19. Which of the following could be a source of semantic barriers in communication? (2 marks)

A. Sending too much information

B. Long communication lines

C. Fear or mistrust of the sender

D. Different meaning of words

**Answer: D**

20. Why are written channels preferred in official communication? (2 marks)

A. Reduces chances of distortion

B. It is less expensive and fast

C. Prevents leakage of information

D. It is appropriate for persuasion

**Answer: A**

21. Select a factor that distinguishes formal communication from informal communication. (2 marks)

A. Formal communication is fast

B. Occurs within an organisation

C. Information is reliable and factual

D. It is generally verbal in nature

**Answer: C**

22. Identify a measure that management could institute to control grapevine in an organisation. (2 marks)

A. Maintaining open lines of communication

B. Eliminate informal communication channels

C. Withhold crucial information from employees

D. Ensure grapevine is only used during crisis

**Answer: A**

23. Which of the following is a non-verbal indicator of active listening? (2 marks)

A. Fidgeting

B. Eye-contact

C. Remembering

D. Questioning

**Answer: B**

24. Identify a reason for the increased popularity of emails in business communication. (2 marks)

A. Provides a personal touch

B. Suitable for long messages

C. Causes information overload

D. Accessible anywhere anytime

**Answer: D**

25. Which of the following is a reason why an interviewer should build rapport with interviewees at the beginning of an interview? (2 marks)

A. To assess their character and skills

B. Help them in overcoming nervousness

C. To hold small talk in familiar topics

D. Help build a lasting relationship

**Answer: B**

26. Select a role played by a chairperson before the meeting. (2 marks)

A. Ensure copies of the agenda are prepared

B. Circulate the agenda to all members

C. Ensure the notice of the meeting is given

D. Consult on the business to be discussed beforehand

**Answer: D**

27. Which of the following is an objective of having members take turns to speak in a meeting? (2 marks)

A. Encourage participation of all members

B. Ensure all the notice items are discussed

C. Enable the secretary to control the meeting

D. Ensure the minutes of a meeting are detailed

**Answer: A**

28. Which of the following is a reason for using non-verbal cues during an interview? (2 marks)

A. Demonstrate competence to interviewer

B. Complement oral communication

C. Avoid contradicting the interviewer

D. Enhance retention of information

**Answer: B**

29. Which factor could affect the effectiveness of vertical communication in an organisation? (2 marks)

A. Use of multiple non-verbal signals

B. Long lines of communication

C. Use of written channels to send messages

D. Keeping records of oral communication

**Answer: B**

30. Which of the following represents functions of the receiver in the communication process? (2 marks)

A. Message conception, decoding, transmitting and feedback

B. Message encoding, translation, decoding and reacting

C. Message transmission, initiating, translation and feedback

D. Message reception, decoding, understanding and responding

**Answer: D**

31. Select the type of letter that is sent to a client in response to a complaint. (2 marks)

A. Correction letter

B. Letter of confirmation

C. Adjustment letter

D. Circular letter

**Answer: C**

32. Which of the following is a factor that a speaker could consider while undertaking audience analysis? (2 marks)

A. Their persuasive skills

B. Parts of the speech

C. Number of topics required

D. Demographic characteristics

**Answer: D**

33. Choose a restriction that could be imposed by the franchisor in a franchising arrangement. (2 marks)

A. Operating standards

B. Amount of profit

C. Number of permits

D. Taxation level

**Answer: A**

34. Identify a purpose of market targeting from the following. (2 marks)

A. Deciding which market segment to serve

B. Breaking down the market into subgroups

C. Determining brand positioning in the market

D. Enable business to serve the whole market

**Answer: A**

35. Which of the following is a challenge experienced by innovative entrepreneurs? (2 marks)

A. Lack of new ideas

B. Lack of resources

C. Lack of employment

D. Long business lifecycle

**Answer: B**

36. Which of the following characteristics enables entrepreneurs to identify business opportunities? (2 marks)

A. Ability to influence others

B. Honesty and integrity

C. Avoidance of business challenges

D. Business networking ability

**Answer: D**

37. Which of the following explains a favorable set of circumstances that creates a need for a new product or business? (2 marks)

A. Business expansion

B. Market penetration

C. Entrepreneurial opportunity

D. Market research

**Answer: C**

38. Identify an element of a good business opportunity. (2 marks)

A. Market competition

B. Market potential

C. Capital requirement

D. Minimal demand

**Answer: B**

39. Which of the following could be a criteria for admission to a business incubator? (2 marks)

A. Strong brand name

B. Workable business plan

C. Strong management team

D. Number of existing businesses

**Answer: B**

40. Which of the following is a purpose of internal communication? (2 marks)

A. Convincing publicity material

B. Improves decision-making

C. Enhances corporate image

D. Sound business relationships

**Answer: B**

41. Which of the following is a merit of oral communication? (2 marks)

A. Has Legal validity

B. Easy to fix responsibility

C. Suitable for persuasion

D. Suitable for lengthy messages

**Answer: C**

42. Which of the following is a step-in writing business document? (2 marks)

A. Drafting

B. Reading

C. Analyzing

D. Decoding

**Answer: A**

43. Identify the statement that describes an agenda of a meeting. (2 marks)

A. Record of meeting resolutions

B. Notice containing date and venue

C. List of items to be discussed

D. Important actions to be taken

**Answer: C**

44. Select the statement that describes corporate entrepreneurship. (2 marks)

A. Changing an organisation set up

B. Changing the organisation structure

C. External marketing in unique ways

D. Entrepreneurship within an organisation

**Answer: D**

45. Identify a proven method of controlling nervousness when making a presentation. (2 marks)

A. Focus on the audience

B. Not knowing the audience

C. Practice the presentation

D. Lack of detailed preparation

**Answer: C**

46. Which of the following could make it important for an entrepreneur to identify new business opportunities? (2 marks)

A. Ensure fair competition

B. Reduce business lifecycle

C. Respond to market trends

D. Enhance customer expectations

**Answer: C**

47. Identify a key role of effective external communication in an organization. (2 marks)

A. Building and enhancing team work

B. Ensure sound business relationships

C. Improving organizational culture

D. Maintaining talented workforce

**Answer: B**

48. Which of the following is a reward of becoming an entrepreneur? (2 marks)

A. High degree of dependence

B. Opportunity to use skill and talent

C. Certainty of making high profits

D. High business fees and taxes

**Answer: B**

49. Which of the following is a benefit of using smart phones in marketing? (2 marks)

A. Not possible to ignore promotional messages

B. Can be used to target all demographic groups

C. Allows location-based target marketing

D. Easy to correct mistakes in an advertisement

**Answer: C**

50. Which of the following is a demerit of mergers as a strategy for business expansion? (2 marks)

A. May lead to job losses

B. Create economies of scale

C. Decrease in market share

D. Duplication of products

**Answer: A**