05. ENTERPRENEURSHIP

1. - need to exploit talent

-high market availability

-growth in awareness

-improved security

-improved infrastructure

-Need to be own boss

-Availability of source of finance

2. - Profit generation /maximization

- Creation of employment
- Provision of goods and services
- For prestige/enhancing own image

3. - Potential profits

- Potential market
- Future growth
- Acceptance by the community
- Cost of capital
- Ability to manage

4. - Inadequate capital

- Poor working strategies
- Unfavorable government policies
- Insecurity in the area
- Inadequate academic and technical knowledge
- Inadequate business management knowledge
- Inadequate demand market
- Poor record keeping
- Poor customer relations

- Large drawings from firm
- Lack of self discipline and poor moral character
- Poor planning
- Changes in technology
- Changes in business environment

5. **-** To reduce rate of unemployment

- Equip learners with entrepreneurial skills and knowledge
- Create informed population on commercial activities
- Learners to be able to utilize local resources
- Enable learners to be self reliant

6. - Promotes job creation

- Promote production of a wide variety of goods
- Improves infrastructure of a country
- Promotes healthy competition hence production of high quality goods
- Enhances full exploitation of a country's resource
- Promotes industrial development
- Provides consumer with variety of goods
- Promotes savings and investments
- Promotes Kenyanisation/indigenization of trade/encourages participation of local
profit in trade

ENTERPRENEURSHIP

1. - Creation of employment.

- - Exploitation of resources.
- Promotion of technology.
- Promotion of entrepreneur/culture.
- Formation of capital/joining.
- Increase of consumers' choice.

-Development of infrastructure.
- Foreign exchange earnings and conservation

2. - Creation of employment/jobs by absorbing people who would otherwise be jobless
   - Formation of capital through profits which may be used to expand the business
   - Reducing rural-urban migration as businesses in rural area offer employment opportunities
   - Raising standards of living through receipt of salaries and wages as well as availing a variety of quality goods and services
   - Saving on imports as entrepreneurs are able to produce good and services that are substitutes to imports
   - Improving infrastructure through improvement of roads and security by the government
   - Reducing foreign dominance of the economy by increasing the participation of local entrepreneurs in various business activities
   - Making use of local resources which would otherwise be idle or thought to be a waste
   - Promotion of technology through the entrepreneurs creativity and innovation
   - Promotion of entrepreneurial culture by using successful entrepreneurs as role models

3. - Cultural practices that does not allow individuals to be successful
   - Teachers do not encourage their student to be entrepreneurs
   - Lack of relevant business courses in schools
   - Lack of role models in the society
   - Peer group influence the way people act
   - Lack of financial and business consultancy institution
   - HIV/AIDS is becoming a de-motivating factor

- Gender discrimination in many African traditions

4. - Fall in volume of exports – rely on primary/agricultural products usually affected by

draught yielding low production hence low exports hence reduced foreign earning

-Deteriorating terms trade – value of exports are low relative to the value of imports hence pay more than the foreign earned

-Less capital inflow compared to outflow- they usually borrow money from developed countries at repay at high interest rates creating a net capital out flow.

-Devaluation policy – devaluation of local currency makes exports cheaper to foreigners and hence an increase in the cost importation

-Increase in import volume of capital goods and industrial raw materials for development purposes. This increases expenditure on foreign good.

5. - Wrong choice of business: Evaluate your business in terms of acceptability, finance,

time, market e.t.c.

- Availability of finances and inadequate finances: Business take time before they can generate profits. It is then important to have enough money
- Failure to understand the market: You need to understand the market trends e.g. are a product seasonal, target consumers, competitors e.t.c.
- Poor pricing: Not too low as to realize losses and not too high for the target consumers
- Competition: Always try to stay ahead of your competitors by doing the normal things in a different and appealing way e.g. packaging
- Ignoring consumers needs: always strive to satisfy your customers
- Poor location
- Poor planning
- Ineffective or poor marketing
- Poor time management
- Poor record keeping