**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