



MUEO

MOI UNIVERSITY

**OFFICE OF THE DEPUTY VICE CHANCELLOR, ACADEMIC AFFAIRS,
RESEARCH & EXTENSION**

UNIVERSITY EXAMINATIONS 2013/2014 ACADEMIC YEAR

FORTH YEAR END OF SEMESTER I EXAMINATIONS

**FOR THE DEGREE OF
BACHELOR OF BUSINESS MANAGEMENT**

EXAM CODE:- BBM 478

COURSE TITLE:- ICT & SMALL & MICRO-ENTEPRISE

DATE:- 9TH OCTOBER, 2013 TIME:- 2.00P.M. - 5.00 P.M.

INSTRUCTION TO CANDIDATES

➤ SEE INSIDE.

THIS PAPER CONSISTS OF (2) PRINTED PAGES

PLEASE TURN OVER

BBM 478: ICT AND SMALL AND MICRO-ENTERPRISE END OF SEMESTER EXAM.

INSTRUCTIONS: ANSWER QUESTION ONE AND ANY OTHER THREE.

QUESTION ONE:

Read the case below and answer questions that follow

Skype Revolutionizes Communication Technology

Skype (<http://www.skype.com>) is one of the most popularly used VoIP programmes.

It allows users to talk for free over the Internet after downloading a simple free programme onto their computers. Skype also offers additional services for a low price. To connect with parties who use ordinary phones, Skype offers at a lower price 'Skype In', which allows people to call a Skype user with a regular phone, and 'Skype Out', which allows a Skype user to call a regular phone (starting from USD 0.02 per minute). Skype's growth has been astounding. In less than three years, it has attracted over 54 million worldwide subscribers, of which about 30 percent – primarily SMEs – use Skype for business purposes.¹¹ eBay acquired Skype for USD 2.6 billion in cash and shares in September 2005.

- a) One of the most revolutionizing developments in advanced communication technology is Voice over Internet Protocol (VoIP), what are the potential benefits that can be associated with (VoIP) to small and micro-enterprises. (10 marks)
- b) In relation to the case explain reasons as to why SMEs should adopt ICT? (10 marks)
- c) Skype is example of advanced information technology used by SMEs give five benefits of Advance ICT to SMEs? (5 marks)

QUESTION TWO:

Given the benefits that ICT can bring to SMEs, SMEs in most developing countries in the Asia-Pacific region and Africa still have been slow to adopt it this is because, ICT firms have not provided goods and services tailored to SMEs in the past because demand from SMEs has been low. However, their demand is low in part because ICT products available in the market are too complex and expensive. The result is a vicious cycle of limited supply and limited demand that ultimately excludes SMEs from the benefits of ICT. Discuss. (15 marks)

QUESTION THREE:

Many governments have not explicitly focused on ICT adoption by SMEs in the non-ICT sector. They have either focused on growing the ICT sector or supporting the growth of SMEs, but they have not focused on integrating the two areas to implement broad-based policies what interventions can the Government use in order to encourage SMEs to adopt ICT (15 marks)

QUESTION FOUR:

- a) How is e-commerce useful to developing country entrepreneurs venturing in Small and Micro-enterprises? (8 marks)
- b) What are the obstacles, problems and issues faced by SMEs in their use of ICT in business or in engaging in e-commerce? (7 marks)

QUESTION FIVE:

Explain three important components of data protection and transaction security issues in relation to SMEs. (15 marks)

QUESTION SIX:

Discuss five major products of advanced information technology which can be used by SMEs to increase efficiency in their operations. (15 marks)