



“Investing in Africa’s future”

COLLEGE BUSINESS PEACE LEADERSHIP AND GOVERNANCE

**NMMS401 ENTREPRENEURSHIP AND SMALL BUSINESS
MANAGEMENT**

END-OF-SEMESTER FINAL EXAMINATIONS

NOVEMBER/ DECEMBER 2022

LECTURER: MR T. MASESE

DURATION: 3 HRS

INSTRUCTIONS

Answer **SECTION A** and choose any **TWO QUESTIONS** from

SECTION B

DO NOT repeat material.

Write legibly.

Credit is given to application of theory and practice

Section A

Your phone rings early one morning. It is your small business/entrepreneurship lecturer Mr. Masese, who tells you that he just received notification that he has won the first Nobel Prize in Entrepreneurship. His plane leaves soon for Stockholm, where he will pick up the award, so he won't be in class today. Because you are one of the star students in this class, the lecturer asks you to conduct today's class, covering "The Business Plan." Write an outline of how you would teach this class and what you would cover to effectively teach this topic. In that outline of your lecture give brief explanations of each of the sections of a business plan

(40 marks)

Section B

Question 1

- a. Entrepreneurship plays an important role in the creation and growth of businesses, as well as in the growth and prosperity of regions and nations. Discuss the role of entrepreneurship in the growth of the economy and building resilient livelihoods

(15 marks)

- b. Imagine you just received an e-mail message from your friend Nosindiso. The message reads, "Just wanted to tell you that I just finished writing my business plan. I'm very proud of it. It's very comprehensive and is just over 100 pages. The executive summary alone is 9 pages. I plan to start sending it out to potential investors next week. Do you have any words of advice for me before I start to get funding?" How would you respond to your friend's request for feedback?

(15 marks)

Question 2

- a. The Business Model Canvas (BMC) categorizes the processes and internal activities of a business into nine separate categories, each representing a building block in the creation of the product or service. Outline and discuss the various business activities

contained in the BMC, explaining how each is important to the success of any business venture **(20 marks)**

- b. If personal characteristics or personality traits do not predict who will be a successful entrepreneur, why are they significant to the study of entrepreneurship or small business management? Which characteristics do you think are most important? Discuss **(15 marks)**

Question 3

According to John W. Mullins, the author of the highly regarded book *The New Business Road Test*, failure to properly investigate the merits of a business idea before the business plan is written runs the risk of blinding an entrepreneur to inherent risks associated with the potential business and results in too positive of a business plan. Chishamiso, who has considerable experience in the home security industry, is planning to launch a firm that will sell a new line of home security alarms that she believes will be superior to anything currently on the market. Chishamiso wants to carry out a feasibility analysis that might be helpful in assessing the viability of her idea and avoid falling into the “everything about my opportunity is wonder” mode. If Chishamiso turned to you for help as a Consultant and tasks you to conduct a feasibility analysis for her business’s expansion explain how you will go about it and outline and discuss issues you would include in the feasibility analysis report

(30 marks)

Question 4

Wilmah wants to buy an existing business that she saw being advertised in the Herald. She considers this low-hanging fruit for any entrepreneur but fears the process may be fraught with pitfalls if not handled with proper due diligence. Briefly explain to Wilmah the advantages and disadvantages of buying an existing business. What are some of the quantitative and non-quantitative issues she should consider when doing due diligence for the purchase of this existing business? Explain the three main methods she can use to value the business on sale **(30**

marks)

Question 5

- a. With the aid of the three-circle model explain the main relationships that exist in a family business and how the contrary dynamics of business and family systems create tension in the family business **(8 marks)**
- b. Commitment to a family business is driven by a number of factors. Explain the four main basis for one's commitment to join a family business. Why are some family members afraid to join family businesses? **(12 marks)**
- c. Discuss the motivating factors that may pull or push individuals into entrepreneurship. What traits are associated with entrepreneurs that distinguish themselves from managers who settle for corporate life? **(10 marks)**

Question 6

- a. What is an opportunity and what the characteristics of a good opportunity? Using appropriate examples, discuss the main types of business ideas and the main approaches to identifying opportunities **(15 marks).**
- b. Business ethics, practiced throughout the deepest layers of a company, become the heart and soul of the company's culture and can mean the difference between success and failure. Explain ways to incorporate ethics and integrity into business practices **(15 marks)**

END OF PAPER