



**AFRICA
UNIVERSITY**

(A United Methodist-Related Institution)

“Investing in Africa’s Future”

**COURSE TITLE: MMS504 ENTREPRENEURSHIP AND SMALL
BUSINESS MANAGEMENT**

MODULE 7: FINAL EXAMINATION- NOVEMBER 2013

LECTURER: MR T. MASESE

TIME: 3 HOURS

INSTRUCTIONS

Answer **Question One** and any **other TWO** questions in the paper

Total possible mark is 100.

Start **each** question on a new page in your answer Booklet.

The marks allocated to **each** question are shown at the end of the section.

Show all your workings.

Credit will be awarded for logical, systematic and neat presentations.

**Question One
marks)**

(40

Read the attached Case Study- “Corporate Entrepreneurship: An Empirical Look at the Innovativeness Dimension and its Antecedents” and answer the following questions

- a. What is intrapreneurship? Discuss its major dimensions with reference to the above case and explain how corporate entrepreneurship maybe a panacea to Zimbabwe’s current economic stagnation **(7 marks)**
- b. Briefly discuss the three major antecedent categories of corporate entrepreneurship in organizations. What are the components of each category? **(10 marks)**
- c. Researchers have been trying to empirically test factors that have been identified as major divers of intrapreneurship. With the aid of examples briefly explain how each of the following factors may influence entrepreneurial behavior within organizations;
 - i. An appropriate use of rewards **(2 marks)**
 - ii. Top management support **(2 marks)**
 - iii. Resource availability **(2 marks)**
 - iv. Organizational support **(2 marks)**
 - v. Risk taking and failure tolerance. **(3 marks)**
- d. What characteristics of an organization do you think are supportive to innovativeness and entrepreneurial behavior within organizations **(5 marks)**
- e. What strategies do you think should be adopted by government and organizations in Zimbabwe to encourage corporate entrepreneurship behavior? What problems do you foresee in the implementation of such strategies? **(7 marks)**

Question Two

(30 marks)

- a. Explain how each of the following factors may influence intentions to act entrepreneurially:
 - i. Education **(3 marks)**
 - ii. Personal values **(2 marks)**
 - iii. Work history **(2 marks)**
 - iv. Family background and role models **(3 marks)**
- b. “Entrepreneurs are born and cannot be made”. Do you agree or disagree. Discuss with reference to your knowledge of the characterizes of entrepreneurs **(7 marks)**
- c. What is a family business? Using the 3 circle model and other relationships, describe the complex roles and relationships involved in a family business **(5 marks)**
- d. What is a window of opportunity? Describe how each of the following factors may be a source of business opportunities for potential entrepreneurs:
 - i. Extensive travel **(2 marks)**
 - ii. Good understanding of economics **(2 marks)**
 - iii. Emerging trends in society **(2 marks)**
 - iv. Changing needs of the people in society **(2 marks)**

Question Three**(30 marks)**

- a. Define social entrepreneurship and briefly explain the major types of social entrepreneurship. Discuss the major sources of ideas for social entrepreneurship and explain the role that social entrepreneurship plays to the well-being **(10 marks)**
- b. What is a business plan? Briefly outline the three primary reasons for writing a business plan explaining who should write a business plan? Describe the preferred content and format for a business plan **(10 marks)**
- c. “Some entrepreneurs are pushed and some are pulled into business. Some grab opportunities and for some it is a necessity” Discuss this statement and explain the main factors that make people want to start their own businesses. **(10 marks)**

Question Five**(30 marks)**

- a. Entrepreneurship is considered by most governments as a driving force for national economic growth.
 - i. Explain importance of government policies and regulations important to the development of entrepreneurial activity and small business **(4 marks)**
 - ii. What are the major contributions of entrepreneurship to local economic development **(5 marks)**
- b. List four reasons for buying an existing business and describe the process of evaluating it. What are the non-financial considerations you may have to take into account in your evaluation **(8 marks)**
- c. Gender differences in entrepreneurial activity are both persistent and universal and according to Venkataraman & Sarasvathy (2000)’s metaphor, entrepreneurship research had long been ‘Romeo and Juliet’ without the Juliet. What are the unique problems faced by women who pursue entrepreneurial careers **(5 marks)**
- d. Discuss the advantages of franchising to both the franchisee and the franchisor. **(8 marks)**

Question Six**(30 marks)**

- a. Ethics and integrity are major challenges for small businesses and new start-ups. What is entrepreneurial ethics and integrity? What are some of the major ethical issues that confront entrepreneurs? What are the benefits of behaving ethically and with integrity for small businesses? **(12 marks)**
- b. Explain the purpose and objectives of business plans. What do you think investors and bankers look for in a business plan? **(5 marks)**
- c. Family businesses are often plagued by conflict and poor succession planning. Discuss best practices in running a family business. **(8 marks)**
- d. In your search to buy an existing business, what the main reasons you are likely to get why the current owner is selling the business? **(5 marks)**

END OF PAPER