



"Investing in Africa's Future"

**COLLEGE OF BUSINESS, PEACE, LEADERSHIP AND
GOVERNANCE**

MMS504 ENTREPRENEURSHIP AND SMALL BUSINESS MANAGEMENT

END OF FIRST SEMESTER EXAMINATIONS

APRIL/MAY 2017

LECTURER: T MASESE

DURATION: 3 HRS

INSTRUCTIONS

Answer **Question 1** and any other **TWO** questions in this paper

Total possible mark is **75**

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

Suppose you have been asked by your local chamber of commerce CZI to teach a two-hour workshop on how to write an effective business plan. The workshop will be attended by people who are thinking about starting their own business but don't currently have a business plan. Write an outline detailing what you'd cover in the two-hour session. In the outline explain what a business plan is and reasons for writing one. Also include a brief description of the sections you would find in a business plan. Explain why the executive summary is the most important part of a business plan. **(25 marks)**

Question Two

- a. Explain what is meant by feasibility analysis and what is it designed to accomplish? Briefly describe each of the four areas that a properly executed feasibility analysis explores **(10 marks)**
- b. For some entrepreneurs, buying an existing business represents less of a risk than starting a new business from scratch. While the opportunity may be less risky in some aspects, you must perform due diligence to ensure that you are fully aware of the terms of the purchase. What are the quantitative and non-quantitative considerations you would take into account when considering to buy an existing business? Describe any three methods you would use to value the business. **(15 marks)**

Question Three

- a. Entrepreneurial ventures can take certain concrete steps to build an organization that encourages and protects new ideas. Describe three steps for protecting ideas or intellectual property from being lost or stolen. **(12 marks)**
- b. Define creativity. How does creativity contribute to the opportunity recognition process? Briefly describe the five stages of the creative process for an individual. **(13 marks)**

Question Four

- a. Describe the opportunity recognition process. With the aid of examples describe and discuss the three main approaches entrepreneurs use to identify opportunities. **(20 marks)**
- b. Generally, startup ideas can be classified into three categories. With examples discuss the three classes of startup ideas **(5 marks)**

Question Five

- a. Researchers have identified several characteristics that tend to make some people better at recognizing opportunities than others. List and discuss the personal characteristics that make some people better at recognizing business opportunities than others. **(15 marks)**
- b. Briefly explain the following concepts **(10 marks)**
 - a. Corridor concept
 - b. Opportunity recognition
 - c. Entrepreneurial alertness
 - d. Total Entrepreneurship activity
 - e. Product opportunity gap

Question Six

- a. Entry into entrepreneurship is a "calling" for most entrepreneurs but others end up there due to unforeseen circumstances often beyond their control. Discuss this statement clearly explaining differences between necessity-based and opportunity based entrepreneurship. Outline the major pull and push motivations of entrepreneurship clearly explaining some of the major motivations for choosing entrepreneurship as a career. **(12 marks)**
- a. 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. Define entrepreneurial ethics and integrity and explain the benefits to small businesses. Discuss ways small business owners can incorporate ethics and integrity into their business practices **(13 marks)**

Question Seven

- a. Discuss the main organizational and personal inhibitors and facilitators of creativity in organisations **(10 marks)**
- b. Essentially, entrepreneurs recognize an opportunity and turn it into a successful business. Explain what is meant by 'window of opportunity' and why it's important to start a new firm when its "window of opportunity" is open. Discuss the four essential qualities of an opportunity and how an opportunity differs from an idea **(13 marks)**

END OF PAPER