



“Investing in Africa’s future”

COLLEGE OF HEALTH, AGRICULTURE AND NATURAL SCIENCES

**NAEC407: ENTREPRENEURSHIP AND SMALL BUSINESS DEVELOPMENT IN
AGRICULTURE**

END OF SECOND SEMESTER FINAL EXAMINATIONS

APRIL 2022

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DURATION: 3 HRS

INSTRUCTIONS

Answer all Questions in Section A

Answer one question in Section B

SECTION A

Answer ALL Questions in the section. Each question is worth 3 marks.

1. Intellectual property refers to creations of the _____.
 - A. Land
 - B. Money
 - C. Mind
 - D. Air
2. An _____ is a favourable set of circumstances that creates a need for a new product, service or business.
 - A. Advantage
 - B. Organization
 - C. Investigation
 - D. Opportunity
3. The essential qualities of an opportunity are it is: attractive, timely, anchored in a product that adds value to the customer and it is _____.
 - A. Fair
 - B. Simple
 - C. Durable
 - D. Quick
4. Establishing a strong _____ culture is critical for the success of a new business.
 - A. Financial
 - B. International
 - C. Popular
 - D. Ethical
5. A _____ agreement prevents an individual from competing against a former employer for a specific period of time.
 - A. Nondisclosure
 - B. Genuine
 - C. Company
 - D. Noncompete
6. The simplest form of business entity is the _____.
 - A. Partnership
 - B. Sole proprietorship
 - C. Corporation
 - D. Cooperative

7. The most expensive form to organize is the _____.
A. Cooperative
B. Corporation
C. Partnership
D. Sole proprietorship
8. The Coca-Cola name and logo is an example of a _____.
A. Geographical indication
B. Plant variety
C. Copyright
D. Trademark
9. The formula for the Coca-Cola drink is an example of a _____.
A. Trademark
B. Trade secret
C. Patent
D. Copyright
10. Trade secrets have an _____ life provided the information does not become public knowledge.
A. Ordinary
B. Exceptional
C. Average
D. Unlimited

SECTION B

Answer **ONE** Question in this section

QUESTION 1

Read the passage below and answer the questions that follow.

Uganda: Soya bean business grows from side hustle to sizeable operation



Sesaco produces a variety of soya-based packaged products.

Charles Nsubuga used to dig trenches and break stones as a labourer in Uganda. Without a formal education, he realised it would be difficult to move beyond unskilled jobs in the construction industry. Keen to take advantage of an opportunity, however, he observed most of his co-workers would buy roasted soya bean nuts on their break from the local shops.

With his foreman's reluctant permission, Nsubuga – who was taught how to roast soya beans by his grandfather – began selling soya snacks to his colleagues.

“I started doing marketing on the truck that brought us to work. I said: ‘You guys don’t have to go to the other side of the road anymore to buy your nuts because I came with them,’” he recalls.

Although he made a loss on the first day because he gave out samples, Nsubuga soon started selling up to five kilograms of nuts each day. “At night, I would spend a lot of time roasting and preparing the nuts.”

Developing the business idea

In 1979, Nsubuga was forced to forego his soya bean side hustle when he fled to Kenya to escape violence.

“I came back to Uganda in 1981 and found myself back at zero because there was no more construction work, there was no job for me.”

He visited his mother who baked bread in an oil drum in the capital city, Kampala. He decided to learn the technique and recreate it in Jinja, a town on Lake Victoria. He made small doughnuts called *mandazis* and registered a bakery service called Serve to Save. Moving away from baking, the business eventually turned into Sesaco, a Kampala-based company that processes soya beans to make a range of food products.



Charles Nsubuga

Experimenting with products

Nsubuga reveals he quickly expanded the product catalogue away from roasted soya bean nuts to include “very unique products”. One example is soya coffee, which his mother had suggested since she was not allowed to drink tea, coffee or soda as a Seventh-day Adventist.

“I’m an innovative person so I played with the recipe and created soya coffee that people were happy to drink. I kept selling the product until the shops stocked it,”

he says. The product line has since expanded to 15 items including soya porridge powder, soya milk powder, soya yoghurt and soya ice cream.

A big development in the soya business is the rising popularity of meat-free protein alternatives. The entrepreneur says he recently branched out into soya “meat” to meet the rising demand of people who are turning to artificial meat for environmental, ethical or health reasons.

Manufacturing process

Sesaco sources soya beans from over 4,000 farmers in eastern Uganda. The raw material is transported to a factory near Kampala and checked for aflatoxins, a family of toxins produced by certain fungi that are found on agricultural crops. It is then cleaned and added to a processing line that converts the soya beans to a specific end product.



Sesaco processing facility.

According to Nsubuga, Sesaco’s main customers are nutrition-conscious people and those who prefer soya as a non-caffeinated alternative to tea and coffee. “Soya beans have calcium, magnesium, zinc, iron and fibre. All these things are not added.” He is also targeting people with busy lives as most of Sesaco’s products require only the addition of water.

Looking ahead

Sesaco has since evolved into a sizeable processing company with more than 40 staff and is expected to double in size over the next five years. Its biggest overheads are salaries and distribution costs. Nsubuga says he is currently looking for distribution partnerships with logistics companies to save on the cost of transporting goods across Uganda.

While he has received interest from European, American and Middle Eastern buyers, Sesaco is yet to export to other countries. "Some businesses have great potential but it is not realised if you don't have the finance," he says, adding that it is hard to get low-interest loans in Uganda.

- a) Sesaco would like to seek additional funding to enable it to export.

Which source(s) of funding would you recommend in this case?

Explain why you chose that specific source(s) of funding. (10 marks)

- b) What are five lessons you have learned regarding entrepreneurship from Sesaco? (15 marks)

- c) Explain how you will apply the lessons learned to your own entrepreneurial venture. (15 marks)

- d) Develop an entrepreneurial elevator pitch for Sesaco so that they can use as they seek additional funding for their business.

(the elevator pitch should be 80-90 words) (10 marks)

- e) What can Sesaco do to ensure that the business does not fail?

(10 marks)

- f) Would you be interested in investing in Sesaco? Why or why not?

(10 marks)

QUESTION 2

Read the passage below and answer the questions that follow.

MIYA is an ambitious mission-driven company aiming to increase access to quality drinking water in urban areas across West Africa. We want to cut the cost of bottled water in half while minimizing the amount of plastic waste destroying our oceans and our cities. MIYA Senegal launched in 2019. We offer high quality, delicious drinking water throughout Dakar in reusable 10 & 19L bottles. MIYA's business model centres on the delivery of water to homes and offices in reusable bottles.

Why MIYA?

Our dream is to give MIYA water to all of Senegal. It's a simple project: to bring you water that is good for your health and affordable for everyone.

MIYA wants to be a solution for the environment. Like everyone, we regret that the streets, the beaches and the sea are now polluted by plastic bags

and bottles that are used only once. Our MIYA bottles are sold with a guarantee and are reusable and recyclable.

Our solutions and accessories

- Water delivery to homes and businesses
- Electric water fountain for dispensing hot or cold water
- Manual water fountain
- Bottles
- Paper cups

a) Is MIYA a social entrepreneurial company? Explain. (10 marks)

b) MIYA would like to seek additional funding. Which 2 source(s) of funding would you recommend in this case? Explain why you chose that specific source(s) of funding. (20 marks)

c) Develop an entrepreneurial elevator pitch for MIYA Senegal that they can use as they seek additional funding for their business.

(10 marks)

d) MIYA Senegal was launched in 2019. What can MIYA Senegal do to ensure that the business does not fail? (20 marks)

e) Would you be interested in investing in MIYA Senegal? Why or why not? (10 marks)

End of Examination Paper