



UNIVERSITY OF SWAZILAND

FINAL EXAMINATION PAPER

1st SEMESTER 2009/2010

- PROGRAMME** : BSc. AG. & BIOSYSTEMS. ENG. YR3
BSc. AG. ECONOMICS. & AGBMGNT YR 3
BSc. AG. EDUCATION YR 3
BSc. AGRONOMY YR 3
BSc. ANIMAL SCIENCE YR 3
BSc. FOOD SC., NUTRITION & TECH. YR 3
BSc. CONSUMER SCIENCE YR 3
BSc. CONSUMER SCIENCE EDUC. YR 3
BSc. HORTICULTURE YR 3
BSc. TEXT., APP. DESIGN & MNGMT YR 3
- COURSE CODE** : AEM 302
- TITLE OF PAPER** : ENTREPRENEURSHIP
- TIME ALLOWED** : TWO (2) HOURS
- INSTRUCTIONS** : ANSWER ALL QUESTIONS.
EACH QUESTION CARRIES A TOTAL
OF 25 MARKS

**DO NOT OPEN THIS PAPER UNTIL PERMISSION HAS BEEN
GRANTED BY THE CHIEF INVIGILATOR!**

Question 1

- a) Differentiate between necessity entrepreneurship and opportunity entrepreneurship. Which of the two would you promote as a national strategy for achieving economic growth, and how will this goal be achieved? **[12 marks]**
- b) It is said that the screening process normally provides the basis for making a decision on whether or not to act on a particular opportunity. Discuss the key elements an aspiring entrepreneur may need to consider regarding the marketing of his/her products or services. **[13 marks]**

Question 2

- a) Suppose Firm Y plans to introduce a new product. The firm hopes to wholesale the new product at E15.05. Firm Y's fixed costs are expected to be E32,328.00, and the variable costs of its product are expected to be E4.14 per unit. How many units of the product should Firm Y produce in order to meet the break-even point? **[5 marks]**
- b) Firm XY wants to introduce new lever arch files in the market. Having studied what other stationery shops are charging for a similar product, the firm decides to effect a mark up of 35%. If the cost price is E80, what would be the selling price for each lever arch file? **[5 marks]**
- c) Economists define variable costs as costs that are fixed per unit but variable in total. They also define fixed costs as costs that are fixed in total but variable per unit. Explain what is meant by these definitions and illustrate using examples and graphs, where possible. **[15 marks]**

Question 3

- a) What is a franchise? **[5 marks]**
- b) Discuss the advantages and disadvantages of operating a franchise **[15 marks]**

Question 4

After graduating, you decided to open a business consultancy firm. Your firm has been awarded a tender by the Ministry of Youth, Sports and Culture to make a presentation to a group of young aspiring dairy producers on the key elements of a business plan. Discuss the contents of your presentation. **[25 marks]**