

138



1ST SEM. 2016/2017

UNIVERSITY OF SWAZILAND

FINAL EXAMINATION PAPER

PROGRAMME:

**B.Sc. in Agricultural Economics and
Agribusiness Management 2**

B.Sc. Agricultural Education 2

B.Sc. Agronomy 2

B.Sc. Horticulture 2

B.Sc. Animal Science 2

B.Sc. Animal Science –Dairy 2

B.Sc. Agricultural Bio-systems 2

B.Sc. Consumer Science 2

B.Sc. Consumer Science Education 2

B.Sc. Textile & Design Management 2

B.Sc. Food Science & Nutrition Technology 2

COURSE CODE:

AEM 203

TITLE OF PAPER:

ENTREPRENEURSHIP

TIME ALLOWED:

TWO (2) HOURS

INSTRUCTION: 1.

ANSWER ALL FOUR QUESTIONS

2.

EACH QUESTION CARRIES 25 MARKS

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BY THE CHIEF INVIGILATOR**

Question 1

A. Mr Mabuza has won a lottery to the value of E5million. It is his dream to buy and bring into the MacDonald's franchise. He has come to you, an entrepreneurship advisory, to solicit guiding information before he invests money into it.

a. Help explain to Mabuza the advantages and disadvantages of acquiring a franchise as opposed to starting your own business.

[10marks]

b. He is also considering registering a company to trade as Macdonald Swaziland. What would be good and bad in operating as a company than as a sole trader? [15marks]

[25marks]

Question 2

A. A young vibrant gentleman from Ntontozi seeks to establish a business after graduating at the Technikon College as opposed to looking for a job. He approached the Youth fund for finance and he was advised to prepare a business plan indicating clearly the market share analysis for the proposed business as well as the need analysis for the proposed product/service. As an expert in business;

i. Explain to him what market share analysis entails and its objective. Use illustration. [10marks]

ii. Discuss the relevance of the need analysis and how it is important for product development. [5marks]

B. Which five product decisions can be considered as he prepares his product mix? [10marks]

[25marks]

Question 3

The King has repeatedly urged the youth to engage in business as it is the driver of economic development. However, most people argued that it is still essential that a business opportunity exists within an enabling economic system.

a. Do you agree? State how an economic system affects business?

[7marks]

b. Distinguish between the capitalists and communist economic systems.

[8marks]

c. Define social entrepreneurship and how it is also a need venture for economic development.

[10marks]

[25marks]

Question 4

A. Product pricing is key factor in generating business income. Many methods can be used for product pricing.

a. Discuss the factors that affect product pricing. [15marks]

b. Define the following methods as used in product pricing.

[2.5 marks each]

- i. Cost pricing
- ii. Prestige pricing
- iii. Penetration Pricing
- iv. Bundle pricing

[25marks]