



1<sup>st</sup> SEM. 2017/2018

UNIVERSITY OF SWAZILAND

SUPPLEMENTARY EXAMINATION PAPER

**PROGRAMME:** BSc. in Agric. Economics and Agribusiness Management Year 3  
BSc. in Animal Science Year 3  
BSc. in Animal Science (Dairy) Year 3  
BSc. in ABE Year 3  
BSc. in Agron Year 3  
BSc. in ACR Year 3  
BSc. in Ag ED Year 3  
BSc. in COS Year 3  
BSc. in Horticulture Year 3

**COURSE CODE:** AEM 309

**TITLE OF PAPER:** Entrepreneurship

**TIME ALLOWED:** TWO (2) HOURS

**INSTRUCTION:** 1. ANSWER ALL QUESTIONS (Each Question Carries 25 Marks)  
2. DO NOT WRITE ON THIS QUESTION PAPER  
3. ALL ANSWERS SHOULD BE WRITTEN IN THE BOOKLET PROVIDED

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

### Question One

- a) Define a business. **(5 Marks)**
- b) What is the relationship between a business and an establishment. Briefly Explain. **(10 Marks)**
- c) With the aid of a flow chart summarize the eight functions of a business. **(10 Marks)**

### Question Two

- a) Discuss the types of entrepreneurial businesses that an entrepreneur can be involved in. **(10 Marks)**
- b) There are two methods that can be used to evaluate a business idea. Which of the two methods is used to evaluate the profitability of a business idea? Explain how this method can be used by providing the types of analysis used for evaluation. **(10 Marks)**
- c) What is market segmentation? List the sub-divisions of market segments **(5 Marks)**

### Question Three

- a) What is the objective of an entrepreneur? **(5 Marks)**
- b) John wants to sell homemade biscuits in the University hostels where he is staying and studying. There are 400 students living in the University hostels and the average income per student is R12,000 per year. On average the students spend 0.1% of their income on buying these homemade biscuits during the year. John is convinced that he will attract 7% market share, as students already buy biscuits from other competitors. What is the potential rand value of John's market share or the rand value of his sales? **(10 Marks)**
- c) When writing a business plan, explain what is contained in the following sub headings;
1. Executive summary
  2. Financial Plan
  3. Marketing Plan
- (10 Marks)**

**Question Four**

- a) What is the purpose of cash budgeting? **( 5 Marks )**
- b) Using the information given below generate a cash budget for Company X. Calculate the estimated ending cash balance and comment on the performance of this Company based on this cash budget. **(10 Marks)**

**Cash Budget for 90 days**

Estimated collections on accounts receivable	R900 000
Beginning cash balance	R450 000
Estimated payments on accounts payable	R1 000 000
Estimated cash balance	R300 000
Estimated cash expenses	R200 000
Contractual payments on long-term debt	R200 000
Quarterly Dividend	R 75 000

- c) Define Human Resource Management. **(2 Marks )**
- d) Discuss the four marketing channels for industrial products.. **(8 Marks )**

**Good Luck**