

**UNIVERSITY OF SWAZILAND**  
**FACULTY OF COMMERCE**  
**DEPARTMENT OF BUSINESS ADMINISTRATION**  
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**TITLE OF PAPER:** Foundations of Entrepreneurship and Small Business Management

**DEGREE :** Bachelor of Commerce

**COURSE NUMBER:** FT/IDE: BA 001

**TIME ALLOWED:** Three (3) hours

**INSTRUCTIONS**

1. THIS PAPER CONSISTS OF SECTION (A) AND (B)
2. THE CASE STUDY SECTION (A) IS COMPULSORY
3. ANSWER ANY THREE QUESTIONS FROM SECTION B

NOTE: You are reminded that in assessing your work, account will be given of the accuracy of language and the general quality of expression, together with the layout and presentation of your final answer.

THIS PAPER MUST NOT BE OPENED UNTIL THE INVIGILATOR HAS GRANTED PERMISSION.

*GOOD LUCK!!!*

## **SECTION A**

### **SECTION B**

#### **Boss lady**

She gets up at 4.00 in the morning to make “the rounds” on the farm before the business activities of the day begin. Her name is Dudu Dlamini, but only her mother and husband call her that. The labourers call her boss lady, the market women and everybody else calls her Sis’ Dudu. She first checks the four chicken sheds which collectively stock about 25,000 broilers at a time. She ascertains the daily mortality rates which is mostly due to the extremely cold winter weather. Using diplomatic questions, she tries to find out if the laborer kept the fire going and did not fall asleep that night. Each chicken shed is assigned an employee who is not allowed to visit other sheds in the compound to prevent the spread of diseases. The previous cycle had been wiped out by the Bird Flu.

As daylight begins, she moves to the vegetable garden to give the laborers instructions on the day’s activities, including what needs to be harvested and crops to be watered or weeded for the day. Water had especially become problematic as the number of households increased in the area. All households wanted running water in their houses and the current water system was simply insufficient. She goes back to the house, cleans up and readies herself for going to the market. She collects produce and leaves the house to ensure that by 6.30 a.m she is at the market place selling fresh produce to the retail market ladies and street vendors. The road is muddy and slippery after the heavy rains but she perseveres with the help of bystanders who give the bakkie the push it needs to get out of the mud.

After the market place, it is time for her to stock up on the supplies. This activity depends on the cycle of the business. When it is the beginning of the broiler cycle, it can include placing orders for the delivery of day old chick, buying and delivery of sawdust and veterinary supplies. She is lucky that the supplier of day old chicks delivers them to her farm. At the end of the cycle, it may consist of delivery of chickens to the market, which are varied and diverse, including a chicken slaughter house, butcheries and individuals. Either way, Sis Dudu is always busy. She owns and manages the whole business by herself.

She may also find herself at the bank, trying to convince the bank manager to extend her overdraft, which is always a struggle as she does not document any financial or other information about her business, claiming that she remembers all the details. The bank had also been trying to convince her to register the business as a company. She is however, wary of attracting too much attention to her business due to the new tax regime implemented by the newly established and eager Swaziland Revenue Authority, which seeks to tax agricultural businesses. Of late she has also been consulting an NGO which has convinced her to advertise her chickens in the media, and designing a logo for the business. Competition is stiff in the chicken industry and she is hoping that advertising will give her an edge over her competition.

She had been wary of the fiscal challenges faced by the Government, expecting sales of chicken to fall, but that had not yet happened. It seemed that consumers could not forego buying chicken. It was only the competition that worried her. Too many players kept the selling price too low and profit margins very narrow. Hence huge stock numbers were necessary. But selling then became a problem. She remembered the good days when the Fresh Produce Market agents used to take all the chickens and sell them in Mozambique for the farmers. She did not have to go all over the country looking for buyers then.

Once she had completed all the business activities for the day she went back home to start cooking for her family, which should be sufficient for that days dinner and lunch the following day. Her family did not like food cooked by anybody else but herself. As soon as the vehicle approached the farm gate, laborers scattered as the security guard shouts "Boss lady"!

### **Questions**

- (a) Ms. Dlamini's business is affected by several variables from both the internal and external environment. Identify and explain how these variables impact her business. (20 marks)
- (b) How do you think she should address these variables? (10 marks)
- (c) Considering the aspects or features that define an entrepreneur, does Ms. Dlamini qualify as a true, successful entrepreneur? Give reasons for your answer. (10 marks)

## **SECTION B**

### **Question 1**

A good idea seldom comes out of the blue as an inspiration. As a prospective entrepreneur, you must deliberately look creatively for ideas that can be converted into a small business. In your search, you can make use of certain techniques. These techniques can be divided into five broad approaches. Discuss these approaches and how they can be used to generate ideas. (20 marks)

### **Question 2**

Product or service branding is a huge aspect of marketing and is used to identify products in the marketplace.

- (a) Explain the difference between a brand and a trademark. (4 marks)
- (b) Discuss the various types of brands used by small businesses (8 marks)
- (c) Give the advantages of branding to both the business and customers (8 marks)

### **Question 3**

When one looks at the purchasing procedure, it is possible to identify a number of activities that take place in the purchasing function of most businesses. Describe these activities. (20 marks)

### **Question 4**

A budget is a written document that expresses management goals and forecasts in financial terms for a specific future period. It is part of a financial plan. A master budget is compiled from a number of different budgets, each drawing on different components of the business. With the aid of examples, describe the different budgets that can be drawn from a standard business. (20 marks)