

**UNIVERSITY OF SWAZILAND**  
**FACULTY OF COMMERCE**  
**DEPARTMENT OF BUSINESS ADMINISTRATION**  
**SUPPLEMENTARY EXAMINATION**  
**ACADEMIC YEAR 2012/13**

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**TITLE OF PAPER:** Foundations of Small Business and Entrepreneurship  
**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

Dudu and Derrick Dlamini are a married couple who jointly own a construction company, D&D construction Pty Ltd. The company does renovation work and small extensions to buildings. The company employs two bricklayers, a plumber and three general workers to do the building work. They contract electrical work out to an electrician.

Dudu and Derrick share the management responsibility of the company. Derrick meets potential customers and takes details of what they need done. He buys and delivers the building materials needed. He also manages the employees in their day to day work. Dudu performs various administrative tasks. She draws up quotes for the details that Derrick has received from the customers, she arranges wages and she does all the company's accounting. Over the years, these have been Dudu and Derricks roles most of the time. However, they have been able to assist each other out where necessary.

Recently, the business has had so many requests for work that Dudu and Derrick find that they are unable to manage their workload. More and more people have been asking for the company's services. Dudu and Derrick are no longer able to help each other out. Derrick has been so busy that he has not had time to manage his team properly. Dudu has been so busy with the financial side that she has not been able to help out as she did in the past. When the team of builders lost two day's work because they were unable to pick up material and the company lost three new customers because Derrick was unable to go and get details for quotes, they both decided they needed to employ someone to help out.

Although Derrick and Dudu had successfully employed builders before, they were concerned about handing over the jobs they had been doing to a stranger. They realized that for this to work, they needed make sure they found someone who would do the job well. They would also need to decide exactly what the person would do. At first, they thought they would just carry on doing as much as they could and everything that they could not manage the new employee would take over. Then they decided that this might not be the best option and that they should define a job that took over some of the responsibilities from each one of them. They just needed to decide exactly which responsibilities the person would take on. After that, the question was how to make sure they got the best person for the job.

### Questions

- (a) How would you advise Dudu and Derrick to make sure they get the best possible person for the job? **(20 marks)**
- (b) How should they decide what the person should do? **(10 marks)**
- (c) How should they make sure they keep the person they employ? **(10 marks)**

## **SECTION B**

### **Question 1**

Businesses operate within different types of environments and it is important to know the variables emanating from these environments as they may have an impact on one's business. Using examples, define the external environment, its factors and their potential influence on businesses. **(20 marks)**

### **Question 2**

Businesses can assume several types of legal structures such as sole proprietorships, partnerships and companies. Using examples, explain the significance of the type of legal structure and considerations one should make when deciding of the legal form of business. **(20 marks)**

### **Question 3**

Discuss the importance of branding to entrepreneurs and its advantages for customers. Further describe the general guidelines for selecting a brand. **(20 marks)**

### **Question 4**

Describe the activities of the purchasing function in an enterprise **(20 marks)**