

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
SUPPLEMENTARY EXAMINATION, JULY 2013

TITLE OF PAPER: Entrepreneurship Theory

DEGREE : Bachelor of Commerce

COURSE NUMBER: FT: BA 304/404

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

Peter is a qualified die and tool maker. He has worked for Zebra Components as a sales representative in the mining industry for the past five years. Several customers complained about the cost of purchasing a specific new component. They have on several occasions expressed the thought that the component only needs to be reworked and it will be as good as new again. Peter knows that many companies have piles of these used components in their backyards and would like to get rid of them or have them reworked.

Peter listens to the customers and takes a closer look at the faulty used components. He realizes that with his knowledge of tool and die making he can in fact, easily rework these components. In his own time, he scans the internet and sources the material and machinery equipment required. Most of the machinery, equipment and labour is already available at the factory and with some rescheduling of work, can be accessible. This would bring in additional income and provide more job opportunities in the company.

Peter enjoys working for the company and knows that the company rewards employees for their new ideas as he had previously contributed to innovative new products. On the other hand, Peter would like to be personally involved in the project. He does not have the necessary capital to set up his own factory but he might be able to source capital since he is convinced that his idea will work.

Questions

- (a) Does Peter fit the profile of a corporate entrepreneur? Give reasons for your answer. (10 marks)
- (b) What would you advise Peter to do? (10 marks)
- (c) Do you think Peter's company has a corporate entrepreneurial culture? Give a reason for your answer (5 marks)
- (d) In the spirit of promoting entrepreneurship, how would you advise the company to proceed? (10 marks)
- (e) Discuss the importance of an entrepreneurial corporate culture for an organization (5 marks)

SECTION B

Question 1

You wish to start an agro-processing business in Swaziland. Describe the finance options available and potential sources of funding. Which are the most suitable and why? **(20 marks)**

Question 2

The creativity model comprises variables which are individually and inter-actively important. However, it all centers on the person, and the conviction that creativity can be learned and cultivated. Explain how this can be done. In addition to being creative, one needs to be innovative. Define innovation as opposed to creativity. **(20 marks)**

Question 3

Most literature and study focuses on the managerial aspects of business management such as planning, management, controlling, etc. However, there are entrepreneurial skills that are critical for business success that are often neglected. Identify and discuss these entrepreneurial skills. **(20 marks)**

Question 4

Most economies are actively pursuing and promoting the establishment and expansion of a vibrant entrepreneurial sector. Why do you think this sector is important? What sets it apart from other types of venture undertakings? **(20 per point)**