

University of Swaziland
Faculty of commerce
Department of business administration
Main examination
Academic year 2015/16- May 2016

Title of the Paper : Applied Entrepreneurship and small business Management
Degree : Bachelor of Commerce
Course : BA 305 and BA 405 (IDE)
Time allowed : Three (3 hours)

Instructions:

1. THIS PAPER CONSIST OF SECTION A AND SECTION B)
2. SECTION A IS CASE STUDY AND IT IS COMPULSORY QUESTION
3. ANSWER ANY THREE QUESTIONS FROM SECTION B

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

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

Section A : Compulsory

Read the case study and answer the questions thereafter

Mr Duncan Damini has been working for the electrical company for the past 18 years. At the beginning of 2014, he started an electrical and pumps business on part time basis. He appointed his relative to manage the business. The business has been growing so fast and in January 2015, he contemplated to leave his full time employees and pursue his business. He asked a consultant to assist him put up a business plan to secure a loan from the Local bank so that the business has sufficient cash to manage the business. Since its inception Mr Duncan has been carrying out maintenance works and he was getting a lot of money thus he decided to pursue the same business.

The consultant assisted him to prepare the business plan and he submitted to the bank for loan. One afternoon his business banker called him to make some new changes in business plan and sent it again. Within two weeks he received another called from the bank that his business plan was approved and the loan of E150, 000.00 was transferred to the business account. This was good news to him and his family. In February 2015, he submitted his resignation to his employer and he sent a month notice to pursue his dream.

In April 2015, he started working on his own and he has a target to make sure that costs are minimized without compromising the quality of the services. One of the key challenges was that he was a Technician not a CEO for a long time. Managing an enterprise has its own challenges. He had to recruit staff, preparation of financial statements, monitor inventory and other business controls. This was not so easy for him. At the end of 2015, he had cash flow problems raising for customers who pay the business invoices after 30 days.

To rescue the financial crisis, Mr Dlamini offer shares to Mr Motsa who was running a butchery. 1 share was E5.00 and he wanted to raise another E150,000. In his personal funds he invested E100,000 as Capital to the business, Mr Motsa purchased 30,000 shares from Mr Duncan. Mr Duncan sometimes get projects which are demanding in terms finances and capacity. He normal enter into joint venture with local and international companies for big tenders.

Question 1:

- a) Following his experiences from previous employer, explain how Mr Duncan can maximize growth strategies based upon product/ service and or market? **20 marks**
- b) Assume Mr Dlamini's business become popular and he contemplate going public, discuss five advantages and disadvantages of going public? **20 marks**

Section B: Attempt any three questions in this section

Question 2

Inyatsi Construction often enter into joint venture when the Government gives them huge works. Discuss the advantages and disadvantages of joint venture having joint venture? **20 Marks**

Question 3

Mr Mabuza's restaurant business in Mbabane had been growing so fast and more staff had been recruited. Human Resources management is one of the key activities he must engaged in because of business culture. Explain clearly the activities Mr Mabuza should do in order to institute a more participative style of management and successfully grow of the business?

Question four

When the business expands and become popular an entrepreneur may decide going public. Entrepreneur should then appoint a managing underwriter that will lead in forming the underwriting syndicate, once he realize that timing of going public is favorable. Identify and explain briefly five factors the entrepreneur should consider before selecting the managing underwriter? **20 marks**

Question five

Business should be communicated to staff when they join the organization. One should consider the personality and character of each individual in the organization if he/she want to create a successful organization culture. Identify and discuss five factors entrepreneur should enforce when building management team that will enhance successful organizational culture. **20 marks**