

UNIVERSITY OF ESWATINI
FACULTY OF SCIENCE & ENGINEERING
DEPARTMENT OF ELECTRICAL & ELECTRONIC ENGINEERING
MAIN EXAMINATION
APRIL 2021

TITLE OF PAPER: ENTREPRENEURSHIP

COURSE CODE: EEE511

TIME ALLOWED: THREE (3) HOURS

INSTRUCTIONS:

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

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 FINAL PRESENTATION OF YOUR FINAL ANSWER.

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

SECTION A (COMPULSORY)

Question 1

Read the case and then answer the questions that follow.

Zodwako Farm

Sabelo is a university student doing a degree in Agriculture, and while at school he read an article in the newspaper about goat farming. He thought this would be a good business for him as he already had money to get started, which he had won for being a top student in his class. Sabelo asked his cousin who works at the bank to do a business plan for him that would enable him to get a loan, and talked to his younger brother who agreed to manage the business. He did not have any input in writing the plan and had no idea what it contained. In no time, he had bought 40 goats and started the business. Asked if he was familiar with the business plan and had done his research he said, "I won the money because I am smart. Besides, they talk about goat farming in the media everyday so what could possibly go wrong?" He used the bank loan to buy the breeding stock and after a year he had 80 goats and thought that he was now ready to supply markets with five goats a month. He dusted off the business plan to see where he was supposed to sell the goats only to find that the market mentioned in the plan was no longer available. He approached a local supermarket, which said they could take the goats only if they were supplied using a refrigerated van. He could not find one on short notice and was forced to sell 10 of his goats very cheaply because he now had run out of money to buy feed and medications and his younger brother was starting to complain since he had not been paid for two months. The following month he was hit hard by a disease outbreak which took half of his remaining stock. The veterinary officer conducted a post mortem and discovered that the goats had not been properly medicated. Sabelo decided to cut his losses and sell the remaining goats and look at another business idea.

Questions

- a) It is evident that Sabelo did not conduct any market research before he started the project. Discuss the reasons why he should have done so and the information he should have gathered for the goat production business that would have assisted him to develop a proper business plan **(20 marks)**
- b) Develop a marketing plan for Sabelo's goat production business using the 4Ps of marketing. **(10 marks)**
- c) How do you think Sabelo should manage the project in terms of human resources? Give reason for your response. **(10 marks)**

SECTION B: Answer any three (3) questions from this section

Question 2

The role of entrepreneurship has never been more prominent as it is today in Eswatini. The country is at a crossroad, where wage employment is poised to decline dramatically in the next few years as the Government reduces its recurrent expenditure as part of the Fiscal Adjustment Initiative, which is required to mitigate financial pressures emanating from the loss of SACU revenue. The country's leaders are calling for entrepreneurial strategies to absorb excess labour and curb unemployment which is spiralling out of control. Is it realistic to expect the business sector to cure the economic ills that shall result from the initiative? What barriers shall people face as they venture into entrepreneurship in Swaziland?

(20 marks)

Question 3

As an entrepreneur you should know that your business cannot exist in isolation. Its activities are influenced by certain controllable and non-controllable variables. These variables occur in the environment in which the business operates and can present opportunities or threats to the business. Discuss about these variables.

(20 marks)

Question 4

When starting a business, it is important to decide on the legal form of that business. Whether one decides to constitute the business as a sole trader, a partnership or a company, will affect the operations with regard to several factors. List and explain these factors with regard to how they differ between sole proprietorships and companies.

(20 marks)

Question 5

- a) The following list of balances is for Good Hope Trading for the year ended 31 December 2017. From these balances, prepare an income statement for the year ended 31 December 2017 (to ascertain net profit).

	£
Stock of goods in hand, 1 January 2017	6 000
Purchase of goods	122 000
Stock of goods in hand, 31 Dec. 2017	8 000
Cash sales	100 000
Credit sales	70 000
Discount allowed	200
Discount received	5 000
Bad debts written off	9 000
Electricity.....	500
Depreciation.....	1 000
Debts paid in 2017 which were previously written off as bad debts.....	2 000
Other expenses.....	30 000

(8 marks)

- b) Discuss about the various types of intellectual property (IP) an entrepreneur could put into effect for the long term sustainability of his/her business. **(12 marks)**