

BOTSWANA

OPEN UNIVERSITY

**Bachelor of Commerce Degree (Human Resources Management &
Industrial Relations)**

Bachelor of Business and Entrepreneurship

INTRODUCTION TO ENTREPRENEURSHIP

IE211

SESSIONAL EXAMINATION

Marks – 100

Instructions

1. The examination consists of four sections: A, B, C and D.
2. Begin each answer to a new question on a new page.
3. Answer questions according to instructions given in each section.
4. Write answers in the answer booklet provided.
5. Write in grammatical English.



SECTION A

[10 MARKS]

MULTIPLE CHOICE QUESTIONS

Answer ALL questions

Each question carries 1 mark

1. How many of the following are not acceptable definition of business?
 - i. An organization operated with the objective of making a profit from the sale of goods or services
 - ii. An enterprise, commercial entity, or firm in either the private or public sector, concerned with providing products (goods or services) to satisfy customer requirements
 - iii. Taking risk for personal gain
 - iv. An economic system in which goods and services are exchanged for one another or money, on the basis of their perceived worth.
 - A. 0
 - B. 1
 - C. 2
 - D. 3
2. Which of the following is NOT an advantage of booming small businesses?
 - A. it helps raising of living standards of citizens
 - B. It creates employment and may increase government revenue
 - C. Most small businesses in Africa generally fail
 - D. May enhance the quality of goods and services offered
3. Which one is the other name given to the computer screen?
 - A. Mouse
 - B. Visual Display Unit
 - C. Central Processing Unit.



- D. Random Access Memory.
4. Which one of the following describes businesses that do not have physical presence?
- A. Brick and mortar companies.
 - B. Virtual businesses.
 - C. Cable Network companies
 - D. Social media businesses.
5. Business plans may require appendices attached. Which one can be included in the appendices of a business plan?
- A. Resumes of owners
 - B. Names of management team
 - C. Executive summary
 - D. Competitor analysis
6. How many of the following are motivations for building and sustaining customer relationships?
- i. Repeat business
 - ii. Viral marketing
 - iii. Customer loyalty
 - iv. Perpetuation of conflicts.
- A. 1
 - B. 2
 - C. 3
 - D. 4
7. How many of the following statement(s) explain(s) entrepreneurship as an art?
- i. is about creating or establishing a business



- ii. It has a proven process of planning and managing business
 - iii. Involves the innovative thought, implementation and growth of a business.
 - iv. There is need for risk taking
 - A. 1
 - B. 2
 - C. 3 ✓
 - D. 4
8. Which statement best describes the 'durability' of an opportunity?
- A. the opportunity will be relevant in the long term
 - B. the opportunity may not be imitated
 - C. the opportunity is unique
 - D. other competitors have access to the same opportunity
9. Which combination of ways may result in increase in profitability?
- i. Increasing revenue while maintaining expenses at the same level
 - ii. Increasing both expenses and sales revenue but revenue at a higher rate than expenses.
 - iii. Increasing expenses at a higher rate than revenue. ✓
- A. (i) only
 - B. (i) and (ii)
 - C. (i), (ii) and (iii)
 - D. (ii) Only.



10. Identify a stage that is missing in the 5 stage growth process stages for 'start-up' businesses according to Churchill & Lewis (1983).

Survival —————> success —————> takeoff —————> Maturity

- A. Set-up
- B. Existence
- C. flourishing
- D. Self-actualizing.

SECTION B –TRUE/FALSE QUESTIONS

[10 MARKS]

Answer all questions. Each question carries ONE (1) mark.

State whether each of the following statements is TRUE or FALSE

1. Large corporations may also engage in entrepreneurship.
2. Entrepreneurial ideas based on one's previous work experience have very low probability of success.
3. The use of computers and internet by small businesses may help to cut costs and enhance small business competitiveness.
4. An increase in Value Added Tax (VAT) creates opportunities for increased profits for small business.
5. Limited companies are owned by shareholders and controlled by the Board of Directors.
6. Sleeping partners in a partnership business agreement are participating in a business' day to day operations.
7. Some business ideas are discovered by accident.
8. Sales revenue is obtained by multiplying sales in quantity by the price per unit of sales.
9. In accounting, goodwill is regarded as a long-term asset.



DEGREE
July – December

Sessional Examination
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10. When doing competitor analysis, it is best to only focus on those businesses that offers the same products and services as your business.

SECTION C

SHORT ANSWER QUESTIONS

Answer ALL questions

PEOPLE
PROCESS
Physical Evidence

[20 MARKS]

1. Explain what is meant by entrepreneurship. **(2 marks)**
2. Distinguish between venture capitalist and angel investors. **(2 marks)**
3. Describe the **three (3)** soft elements of the extended marketing mix for service marketing. **(6 marks)**
4. Identify any **four (4)** elements of the micro-business environment. **(4 marks)**
5. State any **three (3)** benefits of social media to start-up businesses. **(2 marks)**
6. Briefly explain any **two (2)** benefits of running a formal small business rather than an informal one. **(4 marks)**

PEOPLE
PRICE
EDUCATION
PROCESS
COMPETITORS

SECTION D

ANSWER THREE QUESTIONS IN THIS SECTION.

QUESTION ONE (1) IS COMPULSORY

Answer two other questions

QUESTION 1

20 MARKS

Deduce and elaborate on any **five (5)** reasons of high failure rate of small businesses in Botswana.

LACK OF CAPITAL
EDUCATION

(20 marks)

QUESTION 2

MANAGEMENT
MARKETING

20 MARKS

Describe and illustrate any **four (4)** characteristics that identify successful entrepreneurs.

RISK TAKER

(20 marks)

INNOVATIVE
PERSISTENCE / PERSEVERANCE

QUESTION 3

Social life improvement

20 MARKS

With thorough illustrations, discuss any **four (4)** roles of entrepreneurship in the society.

JOB CREATION

(20 marks)

PRODUCT OR SERVICE IMPROVEMENT

ECONOMY GROWTH

INCREASE COMPETITION

QUESTION 4

20 MARKS

The Botswana economy is experiencing some major changes such as exponentially increasing population owing to decline in mortality rate, improved standards of living, immigration, improved health and nutrition. Other notable changes are the levels of education, legislation and the general social and value structure of the society.

Based on your knowledge of the Botswana economy,

Explain and justify, with extensive use of examples, any **four (4)** potential business opportunities that exist in this business environment.

(20 marks)

END OF QUESTION PAPER