

**BOTSWANA COLLEGE OF DISTANCE
AND OPEN LEARNING
In collaboration with
THE VIRTUAL UNIVERSITY
FOR SMALL STATES OF THE COMMONWEALTH
(VUSSC)**

Bachelor Of Business And Entrepreneurship

**INTRODUCTION TO ENTREPRENEURSHIP
IE201**

Special Examination

Marks – 100

Time allowed: 3 hours

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 - MULTIPLE CHOICE QUESTIONS

[10 MARKS]

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

1. Common ownership interest in a business, sharing profits (or losses) of a business, and the right to participate in managing the operations of the business are characteristics of a _____.
 - A. Corporation.
 - B. Sole proprietorship.
 - C. Partnership.
 - D. S-corporation.

2. A business plan performs a number of functions including _____.
 - a) Identifying how many employees will be needed in the business start-up phase.
 - b) Attracting capital for the start-up.
 - c) Providing the entrepreneur with a plan for managing inventory.
 - d) Providing the basis for purchasing property and casualty insurance for the new company.

3. Observing trends, solving a problem, and finding a market gap are all _____.
 - A. Three approaches to opportunity recognition
 - B. Three approaches to opening a new market
 - C. Three approaches of developing a new product
 - D. Three approaches to developing a good business idea

4. Researching and identifying resources needed to turn the idea into a viable venture are the _____ part of the entrepreneurial process?
 - A. Growth
 - B. Planning
 - C. Generating and evaluating ideas
 - D. Identifying opportunities

5. Entrepreneurs start businesses for a number of reasons including _____.
- A. An opportunity to make a difference.
 - B. Having to deal with less government regulation than as an executive of a large company.
 - C. A much lower risk of career failure due to layoff or acquisition than working for a large company.
 - D. The opportunity to get rich much quicker than if they work for a large company
6. The rights granted to an inventor of a product or process to exclude others from being able to make/ use, and sell the product or process is called a _____.
- A. Patent
 - B. Contract
 - C. Trademark
 - D. Trade secrets
7. What a product or service do, how it is different from other products or services, who will buy it and why they will buy it are all _____.
- A. Components of a marketing plan
 - B. Components of a business concept
 - C. Components of a business plan
 - D. Components of a strategic planning concept
8. A business owner would conduct a competitive analysis in order to _____.
- A. Influence customers' perceptions of the company and products' image.
 - B. Avoid surprises from existing competitors and to identify potential new competitors.
 - C. Divide the market into smaller, homogeneous units.
 - D. Scan the environment for weaknesses and strengths on which to capitalize.



9. _____ are products that are purchased regularly and the customer does not make much effort or take long to think about buying them.
- A. Specialty goods
 - B. Shopping goods
 - C. New products
 - D. Convenience products.
10. A form of impersonal broadcasting through commercial mass media is the _____ method of communicating with customers.
- A. Sales promotion
 - B. Advertising
 - C. Publicity
 - D. Personal selling

SECTION B – TRUE/FALSE QUESTIONS

[20 MARKS]

Answer ALL questions. Each question carries TWO (2) marks.

State whether each of the following statements is TRUE or FALSE and give a brief explanation for your answer.

1. Small businesses are usually publicly owned corporations.
2. Successful entrepreneurs are very good conceptually but are not able to organise and manage people and jobs.
3. In today's economy, entrepreneurs are seen as heroes.
4. By choosing certain forms of ownership, an entrepreneur does not give up some control over the company.
5. Self-employment offers less job satisfaction and flexibility of the work force.
6. The availability of family funding and the fear of squandering the family assets takes away considerable stress from the new entrepreneur.
7. As the business develops, less funds are needed.
8. More often than not, new business opportunities occur from changes in industry, social or economic environments.
9. A patent is an exclusive right regulating the use of a particular expression of an idea or information.

10. On the business plan, how the product will be distributed should be explained in the plan of operation.

SECTION C – SHORT ANSWER QUESTIONS

[50 MARKS]

Answer only FIVE (5) questions in this section. Each question carries 10marks.

1. Summarize any five advantages offered by a partnership over a sole proprietorship?
(10 marks)
2. Discuss five most critical potential drawbacks to business ownership. **(10 marks)**
3. Identify what items are included in a standard partnership agreement. **(10 marks)**
4. Define break-even analysis and briefly explain its importance to entrepreneurs.
(10 marks)
5. Outline five important advantages of using e-commerce in a business.
(10 marks)
6. Explain four reasons why entrepreneurs need to carry out ethical business practices.
(10 marks)
7. Write brief notes on each of the following:
 - a. Business Incubation **(2 Marks)**
 - b. Business ethics **(3 marks)**
 - c. Market segmentation **(3 marks)**
 - d. Copyright **(2 marks)**
 - e. Convenience product **(2 marks)**
 - f. Competitive advantage **(3 marks)**

SECTION D ESSAY QUESTIONS

[20 MARKS]

Answer ONE question only from this section

QUESTION 1

1. Discuss any five factors that have led to the boom in entrepreneurship in Botswana.
(20 marks)

QUESTION 2

2. Outline and explain any 10 elements of the business plan. **(20 marks)**