



**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**  
**IE211**

**Sessional Examination**

**Marks – 100**

**Time allowed: 3 hours**

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1. The examination consists of four sections: A, B and C.
  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. More businesses fail because of \_\_\_\_\_ than for any other reason.
  - A. Incompetent management
  - B. Theft by employees
  - C. Insufficient capital
  - D. Poor choice of location
  
2. 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.
  
3. One key to success with a business startup is to begin with enough \_\_\_\_\_.
  - A. Capital
  - B. Sales
  - C. Accounts payable
  - D. Suppliers
  
4. Which of the following is not a common characteristic of entrepreneurs?
  - A. Desire for responsibility
  - B. Business plan expertise

- C. Preference for moderate risk
  - D. High energy level
5. Sole proprietorships characteristically are \_\_\_\_\_.
- A. Fairly complex to create
  - B. Subject to special legal restrictions
  - C. Expensive to create
  - D. Easy to discontinue.
6. Part-time entrepreneurship has an additional advantage over starting up a company full-time in that \_\_\_\_\_.
- A. It is a much lower risk for the entrepreneur
  - B. It doesn't require hang a business plan
  - C. The entrepreneur can change products and markets more easily
  - D. The entrepreneur doesn't need to know the industry as well
7. Forces driving the entrepreneurial trend in our economy include \_\_\_\_\_.
- A. Technological advancement
  - B. Shift to a service economy
  - C. World Wide Web
  - D. All of the above
8. Which strategy recognizes that not all markets are homogenous?
- A. Focus
  - B. Differentiation
  - C. Cost Leadership
  - D. Price sensitive



9. An entrepreneur 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
10. When it comes to the target market, most successful businesses \_\_\_\_\_.
- A. Have broad target markets, permitting them to offer a wide variety of products
  - B. Have little concern for the image of their company, focusing solely on how their products meet target market needs
  - C. Have well-defined "portraits" of the customers they want to attract
  - D. Don't have a clue as to their target market but put forth enough effort to succeed anyway

**SECTION B – SHORT ANSWER QUESTIONS**

**[40 MARKS]**

**Answer all questions**

1. Define the following terms;
  - a) Franchise **(2 marks)**
  - b) Copyright. **(2 marks)**
  - c) Partnership **(2 marks)**
  - d) Marketing. **(3 marks)**
  - e) A limited company: **(3 marks)**
  - f) Venture capitalists: **(3 marks)**
2. In most cases new ventures often begin as small businesses owned and operated by one person. Briefly describe the advantages and disadvantages of this type of business ownership. **(10 marks)**
3. Products can be identified according to the classes of target consumers, i.e. consumer and industrial products. With the use of examples identify and briefly explain three major types of consumer products. **(9 marks)**
4. Describe three legit means you can utilize to protect your business ideas from being utilized by unauthorized businesses. In your answer describe any 3 means of protecting your intellectual rights in a legal manner. **(10 marks)**

**SECTION C ESSAY QUESTIONS**

**[50 MARKS]**

**Answer any TWO questions from this section**

**Each question carries 25 marks**

**QUESTION 1**

**(25 marks)**

Nineteen old Kirsten Berger now in her second year at a local community college has begun to think about starting her own business. She has taken piano lessons since she was seven years old and is regarded as a very good pianist. The thought has occurred to her that she could establish a piano studio and offer lessons to children, young people and even adults. The prospect sounds more attractive than looking for a salaried job when she graduates in a few months.

- a) If Kirsten Berger opens a piano studio will she be an entrepreneur? Why?  
**(5 marks)**
- b) Explain any 5 rewards that will be greatest to Kirsten if she opens the studio.  
**(10 marks)**
- c) Explain any 5 risks she may face by opening the studio.  
**(10 marks)**

**QUESTION 2** **(25 marks)**

Evaluate the most important information contained in a business plan and the reasons why entrepreneurs take time to prepare a business plan. In your answer briefly, define a business plan; discuss the 5 most important uses of a business plan and 10 most important sections.

**(25 marks)**

**QUESTION 3** **(25 marks)**

Setting a right price is a daunting task to entrepreneurs. With the use of examples, describe the 5 most fundamental factors to consider when setting a price for a product.

**(25 marks)**