

FACULTY OF SCIENCE & ENGINEERING

DEPARTMENT OF ELECTRICAL & ELECTRONIC ENGINEERING

MAIN EXAMINATION

DECEMBER 2015

TITLE OF PAPER: ENTREPRENEURSHIP

COURSE CODE: EE511

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)

Read the case and then answer the questions that follow.

The Daughter of the Immigrant

This is the story of a journey through poverty, a large and loving family, and a quest for wealth and social good. This is the story of a twenty-first century woman with a wide-reaching agenda that would touch many lives. This is the story of Zola Dlamini, the youngest of eight children, born in Swaziland, born in poverty. There was never any money, but there was always lots of love and culture and religion-plenty of sources of hope and inspiration.

Soon after Zola's father died, the family immigrated to start a new life in the USA sponsored by an Aunt living in Los Angeles California. Her mother and most of her siblings were forced to find work, but Zola was pushed to stay in school. She was always the brightest, and she always had big goals and plans that went far beyond her immediate family.

Zola is determined to achieve great wealth. Zola is also determined to break the cycle of poverty and hopelessness and to help and inspire members of her Swaziland (black) culture to "get educated and get out," as she puts it, and to live and be part of the "American dream." Zola was the first in her family to attend college, and through hard work, straight A's, and much determination, is about to graduate with a degree in business. Zola still has no money and now has nearly \$60 000 in outstanding school loans that will have to be repaid over the next 10 years. She is very happy and very excited to begin to fulfil her dreams.

Zola has many goals. She already sees her life as a blended mission of family, career, and community service. She does not believe in the separation or distinction of work and play or work and family that other do. At the moment, however, Zola has no specific agenda and no money. Her major goals are:

- A successful career in real estate and business consulting. Zola believes in capitalism, is proud to be living in America, and intends to become a millionaire. She plans to achieve this goal through her real estate work and through "outside projects," as she puts it. Zola is thinking about real estate investment, in particular, the purchase and development of multi-unit apartment buildings.

- A program to improve the lives of women and minorities and the black culture in particular. Zola believes that education and motivation are the foundations of success. As a woman and a minority and a poor person, she believes that she can use her education and motivation to inspire others to do the same. Zola would like to have a hand in helping others achieve a successful career in family, business, and community service.
- A strategy of high growth and high performance. Zola plans to earn a good living through traditional real estate sales and to achieve wealth and high earnings through real estate development.
- A productive and satisfying balance of wealth, family and social values, community and lifestyle. Zola also wants to have at least five kids.

One would describe Zola's characteristics as very hard working and ambitious, very conservative, very religious and traditional, and very bright. One would describe Zola's competencies as having good common sense, a good education and basic training in business, and being very personable.

Case extracted from:

Small Business Entrepreneurship

J. Katz and Green

2006

QUESTIONS TO SECTION A – ANSWER ALL 4 QUESTIONS

While this is not the end of Zola's story, it is the end for you for now. Most of you are reaching the point where it is time to formulate your own mission of family, career, lifestyle, and community service. You can help yourself by first helping Zola through your responses to the following questions:

1. Will Zola achieve her goals? Provide specific entrepreneurship reasons and analysis to support your answer. (10 marks)
2. Does Zola have the Entrepreneurial characteristics and competencies to accomplish her goals? Provide a detailed description of the relevant Entrepreneurial characteristics and competencies. (10 marks)
3. Given her current status of no job, no money, and a large debt to payoff, how specifically would you advise Zola to proceed? Provide a detailed description of the activities (steps) you are recommending to Zola. (10 marks)
4. Now think about yourself, list and briefly describe your own goals for your career, family and community. Provide a detailed description of the activities (steps) you are planning to take to accomplish these goals. (10 marks)

SECTION B (Answer any three questions from this section)

Question 2

The role of entrepreneurship has never been more prominent as it is today in Swaziland. 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

Businesses can assume various types of legally recognised status in terms of ownership in order to operate. Discuss the factors that distinguish the legal types of business ownership, stating one disadvantage of each type of ownership. (20 marks)

Question 4

Most business promoters and advisors dwell on the necessity of financial planning and management of a business. It is perceived that this is one of the most important aspects of operating and managing a business. Why is it so? Discuss the role of financial planning in a business. (20 marks)

Question 5

- a) The following list of balances is for Good Hope Trading for the year ended 31 December 2007. From these balances, prepare an income statement for the year ended 31 December 2007 (to ascertain net profit).

Stock of goods in hand, 1 January 2007	6 000
Purchase of goods	122 000
Stock of goods in hand, 31 Dec. 2007	8 000
Cash sales	100 000
Credit sales	70 000
Discount allowed	1 200
Discount received	5 000
Bad debts written off	9 000
Electricity	500
Depreciation	1 000
Debts paid in 2007 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 the business.

(12 marks)