

**BERJAYA BUSINESS SCHOOL****FINAL EXAMINATION**

Student ID (in Figures) :

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Student ID (in Words) : _____

Subject Code & Name : **DCS3402 ENTREPRENEURSHIP DEVELOPMENT**
Semester & Year : SEPTEMBER - DECEMBER 2017
Lecturer/Examiner : Katrina Chua
Duration : 2 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 2 parts:
PART A (20 marks) : Answer all TWENTY (20) multiple choice questions. Answers are to be shaded in the Multiple Choice Answer Sheet provided.
PART B (80 marks) : Answer all FIVE (5) short answers questions. Answers are to be written in the Answer Booklet provided.
2. Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
3. This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.
4. Only ballpoint pens are allowed to be used in answering the questions, with the exception of multiple choice questions, where 2B pencils are to be used.

WARNING: The University Examination Board (UEB) of BERJAYA University College of Hospitality regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from BERJAYA University College of Hospitality.

PART A : MULTIPLE CHOICE QUESTIONS (20 MARKS)

INSTRUCTION(S) : Questions 1-20 are multiple choice questions. Shade your answers in the Multiple Choice Answer Sheet provided. You are advised to use a 2B pencil.

1. How best to describe the most likely characteristic of an entrepreneur?
 - a. Prefer extremely high risk
 - b. Desire for responsibility
 - c. Have minimal determination
 - d. Lack of future orientation

2. Which of the following describes the two main characteristics of an effective business plan projection?
 - a. Incredible and impossible to reach
 - b. Optimistic and slightly unrealistic
 - c. Practical and too easy to reach
 - d. Realistic and attainable

3. A marketing plan is a vital piece of document when starting a business. What are the roles of a marketing plan?
 - i. Convincing potential investors that the plan has merit
 - ii. Identify the target market for the organization
 - iii. Estimating the cash needs of a business
 - a. i & ii
 - b. i & iii
 - c. ii & iii
 - d. None of the above

4. Entrepreneurship is a dynamic process of innovation and creation mainly to gain incremental wealth. Which of the following is the correct sequence for the process?
 - a. Manage the business » Development of the business plan » Identify & evaluate the opportunity » Determine the required resources
 - b. Development of the business plan » Identify & evaluate the opportunity » Determine the required resources » Manage the business
 - c. Identify & evaluate the opportunity » Manage the business » Development of the business plan » Determine the required resources
 - d. Identify & evaluate the opportunity » Development of the business plan » Determine the required resources » Manage the business

5. Identify the most appropriate pricing strategy for an entrepreneur to implement when introducing new products in the market.
 - a. Optional Product Pricing
 - b. Dynamic Pricing
 - c. Penetration Pricing
 - d. Psychological Pricing

6. Which of the following is considered a free or non-purchase kind of mention of a business for products/services brands in newspaper, magazines, on radio and/or TV?
- Promotion
 - Advertising
 - Product placement
 - Publicity
7. Ms. Idrina sold RM1,800 worth of face lotion. Her cost of goods is RM780; mainly for packaging, wrapper expenses and other operating costs of RM355. What is the gross profit for Ms. Idrina's small business?
- RM1,020
 - RM1,375
 - RM665
 - RM780
8. For a market analysis that would target a group of senior and retired tea drinkers, which of the following pairing best describe the respective segmentations?
- | | | |
|------|---------------|--|
| i. | Behavioral | - understanding the attitudes of the tea drinkers |
| ii. | Demographics | - study of the tea drinking age and gender |
| iii. | Geographic | - dividing the tea drinkers based on type of education |
| iv. | Psychographic | - ascertain the social status and lifestyles of the drinkers |
- i & iii
 - i & iv
 - ii & iii
 - ii & iv
9. What type of research would you use to obtain information directly from the sources?
- Secondary research
 - Primary research
 - Literature analysis
 - Post-secondary research
10. In the context of business financing, which of the following statement is **MOST ACCURATE** in describing ANGELS?
- Angels are wealthy individuals who donate shares to any business start-up and would sit on the board.
 - Angels are wealthy individuals who invest in business start-up in exchange for equity stakes.
 - Angels are a group of people who are wealthy, kind and would lend a hand to any troubled companies.
 - Angels are representative of a group of wealthy people who would source for companies to buy on behalf of the wealthy people.

11. Identify the benefit of going global for a manufacturing company.
- Moderate manufacturing costs with low profits and sales
 - Decline in domestic market with same manufacturing costs
 - Improve competitive position with decrease sales and profits
 - Improve competitive position with lower manufacturing costs
12. In selecting a suitable location for a business, there are a few factors to consider. Apply your understanding in location selection for a gift-shop targeting customers from 18 to 25 years of age. Which of the following factors would you consider?
- Easy access to public transportation
 - Surrounded by high-end shops
 - Next to cinemas in a mall
 - In a flea market with high walk-through traffic
- i, ii & iii
 - i, iii & iv
 - i, ii & iv
 - ii, iii & iv
13. The owner of a supermarket in an east coast town has a large stock of *CHIPSMORE* cookies which will be expiring in three weeks. As such, he is planning to clear the excessive stock within two weeks before its expiry date. Advise the owner the best pricing strategy that he can apply to clear the stock before the expiry date.
- Follow-the leader pricing
 - Captive product pricing
 - Bundling pricing
 - By-product pricing
14. When conducting a feasibility study to start a business, which of the following feasibility analysis would most accurately determine the attractiveness of a particular industry?
- Product and service
 - Industry and market
 - Marketing and product
 - Product and finance
15. Identify how an entrepreneur can maximise cash flow efficiency in a business.
- Whenever possible, purchase instead of leasing
 - By trimming overhead costs
 - Indulge in ostentatious office equipment
 - Hire full time high paying consultants
16. In an income statement, what is the cost of selling one unit of product known as?
- Cost of Materials
 - Cost of Goods Sold
 - Cost of Services Sold
 - Marginal Cost

17. In terms of a company's trademark and/or copyright, which of the following is the importance of Intellectual Property (IP) protection for a company?
- i. IP offers an edge for business over its competitors
 - ii. IP is a way to encourage imitation of products
 - iii. IP offers potential revenue sources such as licensing or leasing
 - iv. IP involves doing things by copying without obtaining rights
- a. i & ii
 - b. i & iii
 - c. iii & iv
 - d. i & iv
18. In planning the finances of a business, what analytical tool provides an entrepreneur with the overview of the business's financial position?
- a. Income Statement
 - b. Financial Ratio
 - c. Balance Sheet
 - d. Cash Flow Statement
19. Cash flow management is used to track a company's liquidity and its ability to pay bills and other financial obligations. Therefore, in analyzing the cash flow statement, cash and profits are not the same. Why?
- a. Cash and profits determine the actual amount of cash readily available for day-to-day operations
 - b. Cash flow measures a company's illiquidity and its obligation in paying bills
 - c. Profits (or net income) is the difference between a company's total revenue and cost of goods sold
 - d. Profits (or net income) may consist of cash or credit sales and cash is actual volume available for business operations
20. An entrepreneur decides to expand his/her business by franchising the business, what would be the advantages?
- i. Growth with minimum capital investment
 - ii. Lower marketing and promotional costs
 - iii. Too many rules and regulations
 - iv. Gets paid royalties
- a. i, ii & iii
 - b. ii, iii & iv
 - c. i, ii and iv
 - d. i, iii and iv

END OF PART A

PART B : SHORT ANSWER QUESTIONS (80 MARKS)

INSTRUCTION (S) : There are **FIVE (5)** questions in this section, answer all **FIVE (5)** questions. Write your answers in the Answer Booklet(s) provided.

QUESTION 1

Define entrepreneur and entrepreneurship. Explain **FOUR (4)** characteristics of an entrepreneur. (10 marks)

QUESTION 2

There are various leadership styles in management. Explain **FIVE (5)** management styles that experts have categorised as being the most common. (15 marks)

QUESTION 3

In this current era of technology, e-commerce has created a new way of doing business and is gaining popularity. List and explain **FIVE (5)** the factors contributing to the popularity of e-commerce. (15 marks)

QUESTION 4

'Ferinna Niel is an up and coming young designer cum entrepreneur of the NEWLY established hip, trendy, young and modern street-wear called fer'Chic Comforts. The collection includes jeans, t-shirts, dresses and accessories. This collection is off-the-rack and is readily available. fer'Chic Comforts caters to young adults and young working adults from 17-35 years of age. fer'Chic Comforts has also recently launched its on-line collection, whereby customers may shop online and have it delivered within a few days.'

Based on the above statement, explain *fer'Chic Comfort's* competitive advantage by applying the 4Ps of marketing mix. (20 marks)

QUESTION 5

There are four basic legal structures of business ownership/entities in Malaysia. Compare the advantages and disadvantages of **ANY TWO (2)** legal structures of business ownership. (20 marks)

END OF QUESTION PAPER