

UGANDA MARTYRS UNIVERSITY

NKOZI

UNIVERSITY EXAMINATION

FACULTY OF SCIENCE

DEPARTMENT OF COMPUTER SCIENCE AND INFORMATION SYSTEMS

SECOND YEAR, END OF SEMESTER ONE FINAL ASSESSMENT FOR DIPLOMA IN COMPUTER
SCIENCE & INFORMATION TECHNOLOGY

ENTREPRENEURSHIP & INNOVATION

(NKOZI CAMPUS)

DATE: 14TH DECEMBER 2022

TIME: 9:30 - 12: 30 AM

DURATION: 3HRS

Instructions:

1. Answer Four questions in all
 2. Question One is compulsory
 3. Use of practical examples is a must
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SECTION A

Question One

ELON MUSK THE CURRENT WORLD'S RICHEST ENTREPRENEUR

Elon Musk is the richest man in the world. He was born in South Africa and attended a university in Canada before transferring to the University of Pennsylvania, where he earned bachelor's degrees in physics and economics. Two days after enrolling in a graduate physics program at Stanford University, Musk deferred attendance to launch Zip2, one of the earliest online navigation services. He reinvested a portion of the proceeds from this startup to create X.com, the online payment system that was sold to eBay and ultimately became PayPal Holdings

In 2004, Musk became a major funder of Tesla Motors (now Tesla), which led to his current position as CEO of the electric vehicle company. In addition to its line of electric automobiles, Tesla produces energy storage devices, automobile accessories, and, through its acquisition of Solar City in 2016, solar power systems. Musk is also CEO and chief engineer of Space Exploration Technologies (SpaceX), a developer of space launch rockets.

In 2020, Tesla shares soared 740% to propel Musk up the wealth rankings. In December 2020, Tesla joined the S&P 500, becoming the largest company added. In January 2021, Musk became the richest person in the world—a title he's held since then. Why Elon Musk is so rich?

His wealth is **based mainly on his shareholdings in the electric car firm Tesla**, of which he is the CEO. Musk has dabbled in many projects during his career to date, from online payment systems, artificial intelligence and transportation above and below ground and into outer space

Musk asked his Twitter (TWTR) audience on Nov. 6, 2021, whether he should sell 10% of his Tesla stock, framing the issue as a response to criticism of unrealized capital gains as a means of avoiding taxes. He proceeded to sell shares worth \$16.4 billion over the remainder of 2021.

U.S. Sen. Elizabeth Warren, a Massachusetts Democrat, cited a media report that Musk paid no income tax for 2018 to argue for the adoption of a wealth tax. "And if you opened your eyes for two seconds, you would realize I will pay more taxes than any American in history this year," Musk responded on Twitter. Thanks to the surge in Tesla shares in 2021 and private transactions boosting the reported valuation of SpaceX, Musk's lead in the global wealth rankings has continued to grow. His net worth hit a high of \$340 billion in November 2021.

In April 2022, Musk began a campaign to take Twitter private, which culminated in a \$44 billion buyout. Musk planned to fund the deal with \$21 billion of his own capital. In the run-up to the buyout announcement, Musk sold 9.6 million shares of Tesla, valued at roughly \$8.5 billion.

In July 2022, Musk decided to back out of the Twitter buyout. Twitter filed a lawsuit against Musk to force the buyout to go through. Musk countersued the company but then reversed course and declared he was willing to buy Twitter after all. The deal officially closed in October 2022, giving him an almost 80% stake in the company.

(Extracted and adopted from Forbes: World's billionaire list; The Richest in 2022 and Bloomberg Billionaire Index)

REQUIRED:

- a) Using Prof Wickham's Strategic window of opportunity establish how Elon Musk spotted, located and closed the window (15 marks)
- b) Identify the competitive edge Musk has over other entrepreneurs in the world (10 Marks)
- c) Advance any five factors favoring Musk's ambition and interest in the buyout (10 marks)
- d) Suggest t practical lessons extracted from the case above (5 marks)

Question Two

- a. No formula has been approved to be the perfect guide to starting a business by Entrepreneurs, however experts opine five phases of Entrepreneurial process to be followed and get started. With applicable facts, explain the five stages of Entrepreneurial process.

10 marks

- b. Over the years, the Government of Uganda has endeavored to invest in Entrepreneurship Development with the aim of enhancing competence among emerging entrepreneurs. While this is true, majority of Ugandan Entrepreneurs have not embraced this direction. As a student of Information Technolgy who has just completed a course in entrepre in Entrepreneurship and innovation, explain the likely threats to this initiative

10 marks

Question Three

Many Ugandans prefer to run franchise businesses because of the associated benefits especially in this post COVID 19 period. As a trainee in Entrepreneurship, ;

- a. Using a practical example of your choice, describe the process of operating the above type of business operation in Uganda **10 Marks**
- b. Explain at least five restrictions such businesses face (Franchisees) **10 Marks**

Question Four

Technopreneurs and Religiopreneurs are different forms of entrepreneurs with different roles to solve society needs either at a profit, nonprofit or both;

- a) Provide five contributions of each, to Economic Development of the country **10 Marks**
- b) Starting a social enterprise require one to carry out a feasibility study before investing funds in an identified project. As a starting entrepreneur, what components would you analyze when conducting a feasibility study?

10 Marks

Question Five

A business plan must have viable business idea and a realistic marketing plan. Basing on the business plan you submitted, extract the important elements which should not be left out in this important component

10 marks

Discuss the various factors to be considered by an entrepreneur while selecting a store layout and design

10 marks

Question Six

The Micro, Small and Medium Enterprises (MSMEs) are the engine of growth for the economic development, creativity ,innovation, and wealth creation and creation of new products/services, processes, or markets to gain a competitive advantage in the entire nation.

- a) Describe the five characteristics of potential people with the above qualities
5 marks
- b) Explain the five types of innovations that can spur such developments **5 marks**
- c) Sacred cows are outdated beliefs, assumptions, practices, and policy systems that stymie change and make it difficult to respond to new opportunities" says Kriegel. Using any organization as a case study, explain at least five (5) common sacred cows **10marks**

THE END