

UGANDA MARTYRS UNIVERSITY, NKOZI CAMPUS

FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT

CODE: 2101

COURSE: BASIC PRINCIPLES OF ENTREPRENEURSHIP

DATE: 8th DECEMBER 2014

Time: 10.00 - 1.00 pm

Instructions:

1. Carefully read through ALL the questions before attempting
2. **ANSWER FOUR (4) Questions ONLY.** (Each question carries equal marks)
3. No **names** should be written anywhere on the examination book.
4. Ensure that your **ID number** is indicated on all pages of the examination answer booklet.
5. Ensure your work is **clear** and **readable**. Untidy work shall be penalized
6. Any type of examination Malpractice will lead to automatic disqualification
7. Do not write anything on the questions paper.

QUESTION 1

Entrepreneurs enjoy a range of benefits for being in business. At the same time, they are confronted by a range of challenges in the course of being entrepreneurs.

- (a) Illustrate some of the benefits enjoyed by entrepreneurs compared to other businesses (4 marks)
- (b) Identify challenges which entrepreneurs encounter in the cause of competitive advantage (6 marks)
- (c) What mechanisms do they use to overcome the challenges they face, **Explain**. (15 marks)

QUESTION 2

- a) Describe what is meant by "competitive advantage" and show why it is important for small companies? (10 marks)
- a) Small businesses are tempted sometimes to assume that they can satisfy all the customer's needs in the market. But they end up serving no one in particular. What advice would you give to entrepreneurs to create value for their goods and services as they compete in the twenty-first century competitive world? (15 marks)

QUESTION 3

- 1. Describe any five major factors entrepreneur(s) should consider before choosing a form of business ownership?(10 marks)
- 2. Like in many other professions, careers and occupations, some who try to become entrepreneurs succeed while others fail. Clearly explain with examples what makes one to succeed as an entrepreneur while others fail? (15 marks)

QUESTION 4

- a) Define Franchise and show what differentiates franchising from other small business format giving practical examples? (10 marks)
- b) Describe benefits a franchise enjoy as entrepreneurs as compared to other businesses (8 marks)
- c) Explain the major drawbacks of buying a franchisee (7 marks).

QUESTION 5

- a) Distinguish between entrepreneurial mind-set and entrepreneurial culture? (10 marks)
- b) Describe why *entrepreneurial mind-set and entrepreneurial culture* are important for small businesses/entrepreneurs in the twenty-first century? (15 marks)

QUESTION 6

- b) As one who is aspiring to become an entrepreneur, explain with example what is "entrepreneurship" (5 marks)
- c) Describe why innovation and opportunities are such an integral part of entrepreneurship (5 marks).
- d) Explain what differentiates entrepreneur(s) from other small business manager(s) (15 marks)