

UGANDA MARTYRS UNIVERSITY

FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT

END OF SEMESTER I EXAMINATION 2023/2024

COURSE : BAM II , BREM II

August Intake - Lubaga, Masaka, Mbale

BASIC PRINCIPLES OF ENTREPRENEURSHIP

Instructions

Answer 4 questions in all. Question 1 in section A is compulsory

SECTION A

Read the case below and answer the questions that follow

Founded by Jeff Bezos, Amazon.com started as the “world’s largest bookstore” in July 1995. A virtual bookstore that physically owned no books, Amazon.com promised to revolutionize retailing. Although some may debate whether it accomplished that, Bezos clearly blazed a trail of e-commerce innovations that many have studied and followed. Amazon.com set out to create personalized storefronts for each customer by providing more useful information and more choices than could be found in your typical neighborhood bookstore. Readers can review books and evaluate them on a one- to five-star rating scale, and browsers can rate the reviews for helpfulness. Amazon.com’s personal recommendation service aggregates data on buying patterns to infer who might like which book. The site offers peeks into books’ contents, index, and beginning pages with a “search inside the book” feature that also lets customers search the entire text of 120,000 books—about as many titles as are in a Barnes & Noble bookstore. Amazon.com’s one-click shopping lets buyers make purchases with one click.

Over the years, Amazon.com has diversified its product lines into DVDs, music CDs, computer software, video games, electronics, apparel, furniture, food, toys, and more. In addition, it has established separate Web sites in Canada, the United Kingdom, Germany, France, China, and Japan. Amazon.com continued to expand its product offerings with the 2007 launch of Amazon Video On Demand, allowing consumers to rent or purchase films and television shows on their computers or televisions. Later that year, Amazon.com introduced Amazon MP3, which competes directly with Apple's iTunes and has participation from all the major music labels. The company's most successful recent product launch was the Amazon-branded Kindle, an electronic book reader that can deliver hundreds of thousands of books, magazines, blogs, and newspapers wirelessly in a matter of seconds. As thin as a magazine and light as a paperback, the device was Amazon.com's number one selling product in 2009.

To overcome the lag between purchase and delivery of product, Amazon.com offers fast, inexpensive shipping. For a \$79 annual fee, Amazon.com Prime provides unlimited free express shipping for most items. While free shipping and price cuts are sometimes unpopular with investors, Bezos believes it builds customer satisfaction, loyalty, and frequency of purchase orders. Amazon.com has established itself as an electronic marketplace by enabling merchants of all kinds to sell items on the site. It powers and operates retail Web sites for Target, the NBA, Timex, and Marks & Spencer. Amazon.com derives about 40 percent of its sales from its million-plus affiliates called "Associates," independent sellers or businesses that receive commissions for referring customers who then make a purchase at the Amazon.com site. Associates can refer consumers to Amazon.com through a variety of ways, including direct links and banner ads as well as Amazon Widgets, mini applications that feature Amazon.com's wide selection of products.

Amazon.com also launched an affiliate product called aStore, which gives Associates the ability to create an Amazon-operated online store easily and without any programming knowledge. Amazon.com then supports these merchants by providing new tools for their Web site, offering access to Amazon.com's catalog of products, and handling all payments and payment security through its Web Services. Amazon.com can also "pick, pack and ship the products to the merchant's customers anytime and to any place" through its Fulfillment by Amazon (FBA). This essentially creates a virtual store for the third-party merchants with low risk and no additional cost.

One key to Amazon.com's success in all these different ventures was a willingness to invest in the latest Internet technology to make shopping online faster, easier, and more personally rewarding for its customers and third-party merchants. The company continues to invest in technology, is focused on the long-term, and has successfully positioned itself as a technology company with its wide range of Amazon Web Services. This growing collection of infrastructure services meets the retailing needs of companies of virtually all sizes.

From the beginning, Bezos stated that even though he started as an online bookstore, he eventually wanted to sell everything through Amazon.com. Now, with more than 600 million annual visitors, the company continues to get closer to that goal with revolutionary products like the Kindle and cloud computing Web services.

Question 1

- a. Basing on the nine blocks of the business model canvas, discuss Amazon's Business Model. **(20 marks)**
- b. Discuss how knowledge of the business model canvas can help an entrepreneur in building a successful business **(20 marks)**

SECTION B

Question 2

- a. Describe the psychological characteristics theory of entrepreneurship **(4 marks)**
- b. Proponents of the psychological characteristics theory have associated various personality traits with successful entrepreneurship. Describe 8 of these personality traits **(8 marks)**.
- c. Discuss how each of those traits can contribute to an entrepreneur's success **(8 marks)**.

Question 3

- a. Discuss how changes in the business environment result into entrepreneurial opportunities **(10 marks)**
- b. Discuss how through innovation an entrepreneur can create new entrepreneurial opportunities **(10 marks)**

Question 4

- a. Describe the following types of entrepreneurship
 - i. Social entrepreneurship (5 marks)
 - ii. Ecopreneurship (5 marks)
 - iii. Sustainable entrepreneurship (5 marks)
- b. Discuss why the triple-bottom line should inform the entrepreneur's decision making (5 marks).

Question 5

- a. What is firm level entrepreneurship (2 marks)
- b. Discuss the following perspectives of entrepreneurship
 - i. Intrapreneurship (6 marks)
 - ii. Entrepreneurial orientation (6 marks)
 - iii. Corporate entrepreneurship (6 marks)

Question 6

- a. Distinguish between the following types of business (10 marks)
 - i. For-profit organizations
 - ii. Not-for-profit organizations
 - iii. Non-governmental organizations
 - iv. Cooperatives
- b. What are the advantages of registering an entrepreneurial business as a company as compared to registering it either as a sole proprietorship or a partnership (10 marks)

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