

UGANDA MARTYRS UNIVERSITY, NKOZI CAMPUS

FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT

CODE: 2101

COURSE: BASIC PRINCIPLES OF ENTREPRENEURSHIP

SUPP/SPECIAL

DATE: 7th/08/2015

Time allowed: 3 hours:

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

- a) Explain why is it important to identify your target market as young entrepreneur? (10 marks)
- b) Describe the potential drawbacks of owning a small business (15 marks)

QUESTION 2

- 1. Describe why Entrepreneurs need to conduct Market Research? (8 marks)
- 2. Noting the growing rate and trend of unemployment among the youth in Uganda, explain what advice would you offer a young entrepreneur who has just graduated? (17 marks)

QUESTION 3

- a) Name **Three** types of business ownership and explain **which one you would choose** for your business plan by clearly stating the advantages of that type of ownership. (6 Marks)
- b) Outline the disadvantages that you will be faced with by choosing that type of business format (6 marks).
- c) Explain the forces that are driving factors to the growth of entrepreneurship in Uganda (13 marks).

QUESTION 4

- a) Distinguish between **differentiation** and **focus** strategies.(5 Marks)
- b) Clearly explain what are the biggest difficulties faced by firms as they enter new competitive global business environment? (8 marks)
- c) Discuss the role of diversity in small business and entrepreneurship (12 marks)

QUESTION 5

- a) What is "**Franchising**" in business world? (5 Marks)
- b) As aspiring entrepreneur briefly explain any five advantages of franchising (5 Marks).
- c) What is the level of risk of failure faced by the buyer of a franchise? How does it compare to the risk faced by entrepreneurs who start businesses? Explain.(15 Marks)

QUESTION 6

- a) What do you understand by the term Entrepreneur? (10 Marks)
- b) International trade represents exciting opportunities for many entrepreneurs in many lines of business. Distinguish between direct and indirect approaches to entering international markets with clear examples on each. (15 Marks)