

* Briefly describe the following:

1. Long-term financial requirements

All funds to be invested in various types of fixed assets for a period exceeding 5 to 10 years.

2. Medium-term financial requirements

All funds needed to meet defined revenue expenditures e.g. advertisement campaigns for a period exceeding one year but not less than 5 years.

3. Short-term financial requirements

These are funds needed for financing ~~the~~ current assets and meeting working capital requirements for a short period of time not exceeding a year.

* Discuss 5 stakeholders in a business

1. Owners

Every business begins as a result of ideas about a product/service by one or more entrepreneurs. Therefore, entrepreneurs are critical to the development of a business.

2. Creditors

A newly created firm incurs expenses before it sells, therefore, the owner(s) may have to rely on friends/family members for credit.

3 Employees

Firms and business will have to hire employees to conduct various aspects of their business operations.

4 Suppliers

As firms need materials to produce their products, their performance is partially dependent on the ability of their suppliers to deliver on schedule.

5 Customers

As firms cannot survive without customers, they must provide a desired product/service at a reasonable price.

* What is a Business?

Business is an economic activity concerned with the production and exchange of goods and services with the objective of earning profits.

* Characteristics of a good business

- 1 It is a human activity
- 2 Continuous economic activity
- 3 Profit motive
- 4 Entrepreneurship
- 5 Creation of utility.

* Briefly discuss 4 main objectives of business

1 ECONOMIC OBJECTIVES

- Earning of profit : profits are needed in a business to provide the adequate reward to the entrepreneur and provide funds for future growth
- Satisfaction of customers : The survival of a business depends upon the satisfaction of customers
- Innovation : developing new technology, products and their uses.
- Effective utilization of resources : Business requires the use of manpower, machines and ~~manpower~~ materials.

2 SOCIAL OBJECTIVES

These are obligations towards various stakeholders including customers, community, employees and government.

- Supply of quality goods at fair prices
- Adoption of fair trade practices
- Generation of Employment opportunities
- Employee's welfare
- Community Service
- Protecting the environment

3 HUMAN OBJECTIVES

Customers expect courteous service and fair dealings from the business.

- The employees are treated as partners, and not as inferior lot
- They are able to develop new skills in the process of employment
- They derive job satisfaction

4 NATIONAL OBJECTIVES

Every business must contribute to national goals :

- Achievement of self-sufficiency in production of goods and services
- Import substitution and export promotion
- Development of small scale and ancillary industries
- Development of backward regions
- Economic development of the nation.

* List 4 factors which drive enterprises toward growth

- ① Survival
- ② Economies of scale
- ③ Owner mandate
- ④ Expansion of the market
- ⑤ Latest technology
- ⑥ Prestige & power
- ⑦ Government policies
- ⑧ Self-sufficiency.

* List and discuss 2 forms of business growth

A ORGANIC GROWTH

Organic growth or internal growth is a growth from within that takes place through the increase ~~of~~ in sales of existing products or adding new products. It can be planned and managed by:

- i) Intensification (ii) Diversification (iii) Modernization

B INORGANIC GROWTH

Inorganic/external growth involves a merger of two or more business firms to improve their competitive strength. Merger can be of 2 types:

- i) Firms merge with other firms in the same industry with related products
- ii) Firms merge with another firm in different line of business with little common in their products.

* Who is an Entrepreneur?

An entrepreneur is a person who assumes responsibility for a business, brings together a labour force to develop a product/service and raises capital with the goal of making profit and takes the risk if it results in a loss.

* What does entrepreneurial mindset entail?

1. Imagination, initiative
2. Readiness to undertake new projects
3. Risk taking and daring
4. Persevere and determined
5. Integrity and honesty.

* What is Opportunity as far as entrepreneurship is concerned
Opportunity is an idea that is attractive, durable and timely and is anchored in a product or service that creates or adds value for its end buyer or user.

* Entrepreneurship is about opportunity - Discuss

1. It is opportunity driven
2. Opportunity comes from changes in the environment and entrepreneurs excel at seeing patterns of change.
3. Target-driven (rather than resource driven) before asking for resources, unlike managers.

* Relevance of entrepreneurial Studies with Nigerian Economy

1. To eradicate poverty and achieve the first Millennium Development Goal (MDG)
2. To reduce poverty rate in Nigeria
3. To reduce unemployment rate in Nigeria

* What entrepreneurship and Engineering have in Common

- 1 They are about ingenuity and innovation.
- 2 They are both technology driven
- 3 They are about complex systems
- 4 They require intelligence

* What are the main components of Corporate Strategy?

1 Visioning

This involves setting high-level direction of the organization.

2 Objective Setting

This involves developing the visioning aspects created and turning them into a series of high-level objectives for the company.

3 Allocation of Resources

This refers to decisions which concern the most efficient allocation of human & capital resources in the context of the stated goals and aims.

4 Strategic Trade offs

This refers to taking into account the degree of risk associated with business decisions as it's not always possible to take advantage of all feasible opportunities.

* Benefits of Corporate Strategy for my business

- 1 It offers a business strategic direction.
- 2 It allows us to manage change and better understand our organisations.
- 3 It improves decision making and motivate employees.

* Classification of Corporate Strategies

- 1 Growth Strategies : strategies designed to grow a business in a given way.
- 2 Stability Strategies : strategies focused on preserving profit, reducing cost and investigating future strategic possibilities.
- 3 Retrenchment Strategies : strategies in response to unprofitable or damaging elements of a business.

* How is Corporate Strategy Implemented?

- 1 Define a vision
- 2 Describe company's values
- 3 Choose focus areas
- 4 Define objectives
- 5 Write KPIs (Key Performance Indicators)