



**RAJARATA UNIVERSITY OF SRI LANKA**  
**FACULTY OF APPLIED SCIENCES**

B.Sc. (General) Degree in Information and Communication Technology

Third Year Semester II Examination, April/May 2016

**ICT 3208 – ENTREPRENEURSHIP**

Time allowed: 2 hours

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**INSTRUCTIONS TO CANDIDATES**

- This paper consists of five (5) questions on 3 pages including this page.
- Answer **Question ONE (1)** and **any other THREE (3)** questions.
- This examination accounts for 60% of the module assessment. The total maximum mark attainable is 100. The marks assigned for each question and section thereof are indicated in square brackets.
- This is a **closed book** examination.
- Mobile phones or any other communication devices are not permitted.
- Clearly state the assumptions you make. If you have any doubts regarding the interpretation of the wording of a question, make your own decision, but clearly state it on the script.

### 1. Compulsory question

Propose a marketable innovative idea, either in production or services sector, and discuss how you would transform this idea to a functioning business over a period of 3 to 5 years.

Consider the following in your answer:

- i. You are planning to use information systems to support the business and use social media for marketing.
- ii. You plan to develop customised information systems as the business grows, but not at the initial stage of the business.
- iii. As time goes, you plan to employ more people, if the requirement arises due to business growth.
- iv. You plan to apply for bank loans or forward funding proposals for donor agencies to extend the business.

Prepare a business plan with the above concerns addressed according to the innovative idea that you proposed.

[40 marks]

2. (a) Should there be always a profit in a business endeavour? Discuss. Use two (02) examples of business endeavours to clarify your points.

[8 marks]

- (b) If you wish to be an entrepreneur, what attitudes should you possess? Briefly explain three (03) such attitudes.

[6 marks]

- (c) Can any innovator become an entrepreneur? Discuss.

[6 marks]

[Total 20 marks]

3. (a) What mistakes of entrepreneurs can lead their business to destruction? Describe three (03) such mistakes.

[9 marks]

- (b) What barriers can obstruct the creativity of entrepreneurs? Briefly explain three (03) such barriers.

[6 marks]

- (c) It is stated that "Entrepreneurs are born and not made ". Do you agree with this statement? Discuss.

[5 marks]

[Total 20 marks]

4. (a) List three (03) advantages and three (03) disadvantages of running a business as sole proprietorship.

[6 marks]

- (b) List two (02) advantages and two (02) disadvantages of running a business as a corporation.

[4 marks]

- (c) What advantages does franchising provide for the franchiser and franchisee? Explain using an example.

[10 marks]

[Total 20 marks]

5. (a) What is "break-even point"? Illustrate how it applies for a business using a proper example and necessary diagrams.

[10 marks]

- (b) Suppose you have improved a service or a product provided by your company, and you expect that you can increase the price to recover beyond what you have invested on this improvement. However, your board warned that due to another competitor, you may experience a reduction in the sales instead of an increase due to price increase. On the other hand you need to recover the costs of improvement.

What would be your strategy? Discuss.

[10 marks]

[Total 20 marks]

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