

SECTION A: ATTEMPT ALL QUESTIONS. CIRCLE THE APPROPRIATE ANSWER AND TRANSFER IT TO THE ANSWER (SCANNABLE) SHEET PROVIDED.

1. Which of the following is not a skill required by an entrepreneur?
 - A) Technical skills including writing, team building, organising and listening
 - B) Business management skills including planning and goal setting, control, negotiation, marketing and finance
 - C) Leadership skills
 - D) Personal skills including risk-taking and innovation
 - E) Invention
2. Entrepreneurship is sometimes perceived as a process. Identify one of the following that is not a core issue in the creation of a new venture.
 - A) Evaluating the opportunity
 - B) Developing the business concept
 - C) Harvesting and distributing value
 - D) Innovation
 - E) Assessing required and acquiring the necessary resources
3. The role and importance of entrepreneurship in any society cannot be under-estimated and it is variously considered as an:
 - A) Engine of wealth
 - B) Engine of growth
 - C) Engine of enemies
 - D) Engine of under-development
 - E) Engine of creativity
4. A key philosophy in entrepreneurship is that an "identification of a gap in the market does automatically constitute a market for that gap". What does the underlined market mean?
 - A) A venue where buyers and sellers meet
 - B) Any geographical location where stakeholders meet to transact business
 - C) A group of potential and existing brick-and-mortar businesses who have purchasing power and located in a cluster.
 - D) A group of potential and existing shareholders who have purchasing power.
 - E) A group of potential and existing consumers who have purchasing power and unsatisfied needs.

5. Creativity is usually classified under four major strands. Which of the following corresponds to the classification?

- A) Person, product, process and press
- B) Process, innovation, product, marketing
- C) Product, Person, press, and marketing
- D) Innovation, Product, Marketing, press
- E) Press, marketing, innovation, distribution

6. Which of the following can serve as inhibitors to marketing research for a small business entrepreneur?

- A) Market philosophy, cost, and strategic decision
- B) Cost, irrelevancy and market segmentation
- C) Cost, irrelevancy, market philosophy and consumer behaviour
- D) Cost, complexity, strategic and irrelevancy
- E) Market philosophy, internet marketing, cost, and strategic decision

7. _____ is the act of making new relationships from old ideas.

- A) Innovation
- B) Invention
- C) marketing
- D) Improving upon a state-of-art new product
- E) Creativity

8. Identify from the following what is not an intellectual property?

- A) A Patent
- B) A Building property
- C) A Trade Marks
- D) A Copyright
- E) Registered Designs

9. Which of the following is not an advantage to a sole trader?

- A) He is answerable to him/herself alone
- B) Sole recipient of all profits
- C) Only shows accounts to the Internal Revenue Service and nobody else
- D) There are few formalities to be complied with in setting up and running the business
- E) The business does not have a separate legal entity

10. One of the following is not a requirement for setting up a private limited liability company in Ghana?

- A) A minimum of one and a maximum of 50 shareholders
- B) A minimum of two directors is required
- C) One secretary
- D) prospectus
- E) A Business plan

11. There are several techniques for generating or improving ideas. Which is of the following is not an idea generating technique?

- A) Synectics
- B) Brainwriting
- C) Method 365
- D) Batelle Method
- E) Invitational Stems/ Wishful thinking

12. Which of the following is a technique for evaluating and prioritising ideas?

- A) Brainstorming
- B) PMI (Plus, Minus, interesting)
- C) Product licensing
- D) Networking
- E) Try, test and revise

13. What is the term for a common law of economic tort, which proves a misrepresentation resulting in damage, or likely damage, to another party's reputation or goodwill?

- A) infringement
- B) Passing-off
- C) Passing-over
- D) Economic crime
- E) Causing financial loss to the state

14. What is a property right, limited for a maximum term of 20 years that grants the owner certain exclusive rights against third parties in relation to invention?

- A) Copyright
- B) Patent
- C) A Power of attorney
- D) Monopoly
- E) Innovator

15. Below are a number of business entities and organisations in Ghana that provide employment in any society. Could you identify a business entity that offers most employment at any given time?

- A) Public sector
- B) Multinational companies
- C) Health institutions
- D) Micro, Small and medium enterprises
- E) Churches

16. There are so many perceptions about entrepreneurs. Which of the following would say it is a myth?

- A) Entrepreneurs are hardworking
- B) Entrepreneurs are calculated risk-takers
- C) Entrepreneurs are gamblers
- D) Entrepreneurs are team builder
- E) Entrepreneurs are able to identify and recognise an opportunity

17. Which of the following is not a form of co-operative?

- A) Endowed co-operative
- B) Defensive co-operative
- C) Job creation co-operative
- D) Alternative co-operative
- E) Nascent co-operative

18. _____ is the process of determining a clear, comprehensive approach to the creation of customers

- A) Consumer behaviour
- B) A current sales analysis
- C) A marketing philosophy
- D) A marketing plan
- E) A Marketing research

19. Which one of the following is not a characteristic of entrepreneurs?

- A) Entrepreneurs add value
- B) Entrepreneurs are determined in the face of adversity
- C) Entrepreneurs are good networkers
- D) Entrepreneurs are risk averse
- E) Entrepreneurs find the resource required to exploit opportunities

20. If one were an owner of a copyright of an original database in Ghana, how many years after his/her death would the copyright expire?

- A) 50 years
- B) 60 years
- C) 70 years
- D) 80 years
- E) 20 years

21. Which of the following is not subject to copyright application?

- A) Originally literary, dramatic, musical or artistic works
- B) Sound recordings, films, broadcasts or cable programmes
- C) The typographical arrangement if published editions
- D) Original databases
- E) Inventions

22. Which of the following does not constitute an infringement of copyright of a particular work?

- A) Copy a work without permission
- B) Make a work available to the public without permission
- C) Make an adaptation of a work without authorisation
- D) Make use of an academic work with full acknowledgement of the author
- E) Make several copies of a work for sale without the consent of the author

23. Which of the following is not a principal reason for registering a trade mark?

- A) The only way to adequately protect a start-up trading or product name
- B) Grants a legal property right
- C) Grants exclusivity in your name or brand in your field
- D) Can be licensed, transferred or mortgaged
- E) To become an entrepreneur

24. One school of thought considers entrepreneurship as process of bringing together a unique set of resources in pursuance of opportunity and outlines six processes? Which of the following is not one of the processes identified?

- A) Harvesting and distributing value
- B) Evaluating the opportunity
- C) Inventing a prototype
- D) Developing the business concept
- E) Assessing and acquiring the required resources

25. Is the field of sociology any relevance to our understanding of entrepreneurship?
- A) Yes
B) No
C) Don't know
D) Indifferent
E) None of the above
26. Which of the following statements best define brainwriting
- A) The joining together of different and apparently irrelevant elements
B) A fantasy which permits the generation of ideas without evaluation
C) An idea generation technique that allows participants to record their ideas individually on a piece of paper
D) A convergent technique that recognises and group ideas according to certain themes or categories
E) None of the above
27. Which of the following is not a step in the evaluation process of Batelle Method?
- A) Selection criteria developed
B) Scoring criteria are developed
C) Rating criteria
D) All of the above
E) None of the above
28. _____ is/ are not a source(s) of business idea?
- A) Existing businesses
B) Franchises
C) Product Licensing
D) Patents
E) None of the above
29. Effective marketing is based on three key elements. Which of the following corresponds to these elements?
- A) Current marketing research, market philosophy and market information systems
B) Market philosophy, segmentation and current market research
C) Market philosophy, segmentation and consumer behaviour
D) Consumer behaviour, market information system and current marketing research
E) Segmentation, current research and market philosophy

30. Which of the following five key elements facilitates the development of a marketing plan?

- A) Consumer behaviour, market information system and current marketing research, marketing philosophy and segmentation
- B) Current marketing research, current sales analysis, marketing information system, Sales forecasting and evaluation
- C) Current marketing research, marketing philosophy, current sales analysis, marketing information system, evaluation
- D) Segmentation, marketing philosophy, current sales analysis, marketing information system, evaluation
- E) Evaluation, current sales analysis, marketing information system, Sales forecasting and data collection

SECTION B: ATTEMPT ALL QUESTIONS: ANSWER ON THE BLANK SPACES PROVIDED

The following list advantages and disadvantages associated with business entities. Place an S next to those that relate to sole traders, a P next to those that relate to partnerships and a C next to those that relate to limited liability companies. If the advantage and disadvantage applies to more than one type of organisational form, put all answers on the accompanying line.

Advantages	Disadvantages
1. Limited liability <u>C✓</u>	1. Unlimited liability <u>S, P</u>
2. Sole ownership of profits <u>S✓</u>	2. Governmental regulation <u>C✓</u>
3. Unlimited life <u>C✓</u>	3. Lack of continuity <u>P✓X</u>
4. Ease of formation <u>S✓B</u>	4. Double taxation <u>C✓</u>
5. Flexibility <u>S✓X</u>	5. Difficulty obtaining large sums of capital <u>S✓X</u>
6. Transfer of ownership <u>C✓</u>	6. Organizing expenses <u>C✓</u>
7. Relative freedom from governmental control <u>S✓X</u>	7. Relatively limited viewpoint and experience <u>S✓</u>
8. Increased ability and expertise <u>PX</u>	8. Activity restrictions <u>S✓X</u>

EXAMINER: DR. W.A. OWUSU-ANSAH

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY- KUMASI
COLLEGE OF ART AND SOCIAL SCIENCES
KNUST SCHOOL OF BUSINESS
Mid- Semester Examinations, March 2014

BACHELOR OF SCIENCE IN BUSINESS ADMINISTRATION IV TIME: 1 HOUR

MCS-472: FUNDAMENTALS OF ENTREPRENEURSHIP

INDEX NUMBER: _____ FULL-TIME/PART-TIME (*Underline appropriate*)

INSTRUCTIONS:

Answer ALL questions by circling the appropriate answer and transferring to the scannable sheet provided. All questions carry equal marks (15 marks).

1. Which of the following is the proper sequence of events in developing successful business ideas?
 - A. opportunity recognition, feasibility analysis, development of a business plan
 - B. feasibility analysis, opportunity recognition, development of a business plan
 - C. development of a business plan, opportunity recognition, feasibility analysis
 - D. feasibility analysis, development of a business plan, opportunity recognition
 - E. development of a business plan, feasibility analysis, opportunity recognition

2. _____ is the process of determining whether a business idea is viable.
 - A. Feasibility analysis
 - B. Opportunity recognition
 - C. Likelihood analysis
 - D. Achievability analysis
 - E. Scenario analysis

3. Janice McDaniel recently surveyed 200 of her classmates to get a sense of the demand for a new software product she is working on. Collecting data via a survey you administer yourself is referred to as:
 - A. key research
 - B. principal research
 - C. primary research
 - D. secondary research
 - E. initial research

4. Primary research is:

- A. original research and is collected by the entrepreneur
- B. research that is already collected and is available online
- C. research that is stored in an official government depository
- D. research that is collected by an impartial third party
- E. research that is collected by an industry trade association

5. Trade journals, industry-related publications, government statistics, and competitors' Web sites are examples of:

- A. secondary research
- B. action research
- C. principal research
- D. legacy research
- E. vertical research

6. Jennifer Burroughs is thinking about starting a firm in the upscale fashion industry. To get a full appreciation of the competitive nature of the industry, and how she might position her products, Jennifer has spent considerable time looking at industry-related publications, Hoover's Online, and ABI-Inform, which is a database that provides access to articles covering a wide-variety of business and industry related issues. Jennifer is conducting:

- A. primary research
- B. secondary research
- C. action research
- D. temporary research
- E. purposeful research

7. Which of the following is not one of the four areas of feasibility analysis?

- A. product/service feasibility
- B. financial feasibility
- C. institutional feasibility
- D. organizational feasibility
- E. industry/market feasibility

8. _____ feasibility is an assessment of the overall appeal of the product or service being proposed.

- A. Consumer
- B. Industry/market segment
- C. Industry/market
- D. Product/service
- E. Purchaser/end-user

18. The two components of industry/target market feasibility analysis are:

- A. industry status/target market status
- B. industry attractiveness/target market attractiveness
- C. industry sufficiency/target market demand
- D. industry attractiveness/product/service demand
- E. industry evolution/target market attractiveness

19. _____ feasibility analysis is an assessment of the overall appeal of the industry and market for the product or service being proposed.

- A. Institutional
- B. Financial
- C. Organizational
- D. Product/service
- E. Industry/target market

20. Which of the following is not an attribute of an attractive industry?

- A. is large and growing
- B. is not crowded
- C. is fairly old rather than young and less mature
- D. is important to the customer
- E. has high operating margins

21. A _____ market is a place within a larger market segment that represents a narrower group of customers with similar needs.

- A. secondary
- B. primary
- C. target
- D. parallel
- E. minor

22. Which of the following statements about target markets is incorrect?

- A. There is a distinct difference between a firm's industry and its target market.
- B. The challenge in identifying an attractive target market is to find a market that's large enough for the proposed business but is yet small enough to avoid attracting larger competitors.
- C. By focusing on a target market, a firm can usually avoid head-to-head competition with industry leaders and can focus on serving a specialized market very well.
- D. A target market is a place within a larger market segment that represents a narrower group of customers with similar needs.
- E. It's generally easier to find good information about a target market than an industry as a whole.

23. _____ is conducted to determine whether a proposed business has sufficient management expertise, organizational competence, and resources to successfully launch its business.

- A. Industry/market feasibility analysis
- B. Institutional feasibility analysis
- C. Financial feasibility analysis
- D. Organizational feasibility analysis
- E. Product/service feasibility analysis

24. The two primary issues to consider in organizational feasibility analysis are resource sufficiency and:

- A. market timeliness
- B. concept testing
- C. management prowess
- D. target market attractiveness
- E. total start-up cash needed

25. To test resource sufficiency, a firm should list the _____ most critical non-financial resources that it will need to move its business idea forward and determine if those resources are available.

- A. 1 to 2
- B. 3 to 5
- C. 6 to 12
- D. 10 to 16
- E. 15 to 25

26. Continuous innovations are described as:

- A. having the least disrupting influence on established consumption patterns.
- B. having some disruptive influence on established consumption patterns.
- C. having no disruptive influence on established consumption patterns.
- D. having to establish new consumption patterns due to the creation of a previously unknown product.

27. Which of the following factors is a negative as it pertains to the financial feasibility of a business venture?

- A. steady and rapid growth in sales during the first five to seven years in a clearly defined market niche
- B. high percentage of recurring revenue meaning that once a firm wins a client, the client will provide recurring sources of revenue
- C. inability to forecast income and expenses with a reasonable degree of accuracy
- D. internally generated funds to finance and sustain growth

28. Entrepreneurial Opportunities are defined as:

- A. situations in which new goods, services, raw materials and organizing methods can be sold at greater than their production cost.
- B. new market entry through entrepreneur action
- C. the entrepreneur's mental processes in deciding whether or not to act on a potential opportunity
- D. a feasibility assessment.

29. Focus groups use which of the following methods?

- A. A moderator leads the group in an open, in-depth discussion.
- B. A moderator asks each individual in the group questions, interview style.
- C. Each participant fills out a questionnaire, followed by individual exit interviews.
- D. Each participant obtains new ideas and solutions by focusing on problems.

30. Reverse brainstorming is much like brainstorming except that:

- A. criticism is not allowed.
- B. the technique is based on finding solutions.
- C. the group need not be careful to maintain good morale.
- D. the process usually involves identification of everything wrong with an idea.

SECTION 2: (15 marks).

INSTRUCTIONS:

ALL QUESTIONS IN THIS SECTION MUST BE ANSWERED BY PROVIDING BRIEF ANSWERS IN THE SPACES PROVIDED BELOW EACH QUESTION

1. An invention is defined as....

2. Entrepreneurship can be defined as.....

3. An innovation can be described as

4. Define the concept of bootstrapping and state 3 bootstrapping techniques?

5. How would you define Method 365?

6. Can you define the concept of 'creativity'?

7. "A gap in the market is an absolute indication that there is a market for this gap"
Briefly assess this statement and state your position:

8. State the seven stages involved in the marketing research process?

9. Define and distinguish between exploratory and descriptive research designs?

10. Briefly distinguish between internal and external source of secondary data

11. Briefly explain the assertion that "entrepreneurs are born and not made"

12. Briefly distinguish between a company limited by shares and a company limited by guarantee.

13. What is the difference between a patent and trademarks?

14. Briefly distinguish an enterprise and a sole proprietorship?

15. Consumer behavior is defined by the many types and patterns of consumer characteristics.
You are required to state five major consumer classifications entrepreneurs should be aware of:

W.A. OWUSU-ANSAH, PhD