

1<sup>st</sup> SEM. 2018



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UNIVERSITY OF ESWATINI

FINAL EXAMINATION PAPER

PROGRAMME:

- BSc. in Agricultural and Biosystems Engineering Year III
- BSc. in Agricultural Economics & Agribusiness Management Year III
- BSc. in Agricultural Education Year III
- BSc. in Agricultural Extension Year III
- BSc. in Agronomy Year III
- BSc. in Animal Science Year III
- BSc. in Animal Science- Dairy Year III
- BSc. in Horticulture Year III
- BSc. in Consumer Science III
- BSc. in Consumer Science Education III
- BSc. in Food Science, Nutrition and Technology III
- BSc. in Textile, Apparel Design and Management III

COURSE CODE: AEM309

TITLE OF PAPER: ENTREPRENEURSHIP

TIME ALLOWED: 2: 00 HOURS

INSTRUCTION: 1. ANSWER ALL FOUR QUESTIONS

2. EACH QUESTION CARRIES 25 MARKS

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CHIEF INVIGILATOR

### Question 1

- If you were introducing a new electronic dairy feeding system that would reduce feeding costs by 20 to 25%, what pricing policy would you suggest? Why? Would you stay with this policy indefinitely? Why? (10 marks)
- Differentiate between feasibility and viability study. (10 marks)
- The intensity of product distribution is a very important decision for the small business. Describe what intensive distribution is all about. (5 marks)

### Question 2

- Draw any industrial column for the production of an agricultural or consumer related product (10 marks)
- What are the factors that affect the product mix? (8 marks)
- List the steps you need to consider when developing a promotional plan? (8 marks)

### Question 3

- Nathi wants to sell t-shirts and he has targeted the youth from Matsapha. During his enquiry process he discovered that there are about 75,000 people in the 18-35 years old categories in the area. The estimated average annual income per person is E6,000. On average the youth spend 3% of their income on t-shirts per year. Nathi thinks he can at least attract **7% of the market**. Answer the following questions.
  - What informed Nathi about the information he has (e.g. income, spending behaviour of the market)? (2 marks)
  - What is Nathi's potential annual market share? (12 marks)
  - What is Nathi's potential annual market share per month? (3 marks)
- Illustrate the budgeting circle using a graph. (8 marks)

### Question 4

Select the correct answer by circling

- Operations management involves the following primary functions: (2 marks)
  - Product and service design
  - Operations system design
  - Production planning & control
  - All of the above



- b. \_\_\_\_\_ is the function of planning and controlling all types of inventory. (2 marks)
- i. Operations management
  - ii. Inventory management
  - iii. Effective scheduling
  - iv. Operation systems
- c. The following is not one of the typical problems in obtaining finance (2 marks)
- i. Lack of experience in financial management
  - ii. Too much emphasis on collateral
  - iii. Lack of planning
  - iv. Determining training needs
- d. Which of the following is not a characteristic of a successful entrepreneur? (2 marks)
- i. Determination
  - ii. Dependence
  - iii. Self confidence
  - iv. Innovative
- e. Demographic segmentation consist of the following: (2 marks)
- i. Age
  - ii. Ethnic group
  - iii. Academic qualification
  - iv. All of the above
- f. List three users of the business plan (3 marks)
- g. A job description is important to the manager of the business. Explain any 3 uses of a job description. (6 marks)
- h. Lolo runs a small business grocery business. She buys and sell all sorts of food items. At the end of the financial year, her business financial statements show the following: net profit before interest=E100,000; net profit after tax =E70,000; total capital employed = E400,000 and owners' equity = E200,000. Calculate the Rate of Return on Equity (6 marks)