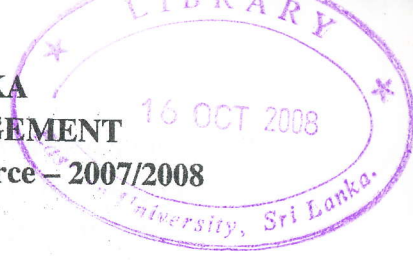


EASTERN UNIVERSITY, SRI LANKA
FACULTY OF COMMERCE AND MANAGEMENT
Third Year First Semester Examination in Commerce – 2007/2008
(Repeat/Proper) (July 2008)
DED 3243 Entrepreneurship



Answer all questions.

Time: 3 Hour

1.
 - (i) What is entrepreneurship?
 - (ii) What is the role of entrepreneurship in the economic development of a country?
 - (iii) What do you mean by value addition? Give examples.
 - (iv) What are the factors that make someone desirable to start a new venture?
 - (v) What is a business plan? Give its main components.
 - (vi) Define marketing in the context of a small business.
 - (vii) Name the different marketing strategies and give examples for each.
 - (viii) Give five unethical / illegal behaviour that you have observed in rural village small business men.
 - (ix) The process of starting a new venture is embodied in the entrepreneurial process. Give the different distinct phases of the process.
 - (x) What is the role of "locus of control" in entrepreneurship formation?
 - (xi) What is direct cost? Give an example.
 - (xii) Give the tools used in selecting one suitable business idea among the many
 - (xiii) What are the don'ts in a brainstorming session?
 - (xiv) What is the basis used in absorbing overheads among the different products?
 - (xv) Explain "working capital requirement" of a small business.
 - (xvi) What are the different sources of capital available for small business men?
 - (xvii) What are the advantages in starting a business as a sole trader?
 - (xviii) What are the advantages in forming a home Based Business?
 - (xix) What is role of government in developing self employment in Sri Lanka?
 - (xx) What are the barriers to a graduate of EUSL in becoming an entrepreneur?
(2 x 20 = 40 Marks)

2. "Product evolution process" is the only process through which innovation develops and commercialises through entrepreneurial activities.
 - (i) What are the different phases of the "product evolution process"?
(04 Marks)
 - (ii) Describe each of the phases with a specific product as an example.
(04 Marks)
 - (iii) What are the strategies available to an entrepreneur in matching the technology with the market need. Use "herbal soap" as an example to explain your strategies.
(06 Marks)
 - (iv) Discuss the problems faced by an entrepreneur in your area in developing a new product and provide solutions to overcome these obstacles.
(06 Marks)

(Total 20 marks)

3. "An intensive research conducted in selected countries of the world identified ten key personal entrepreneurial competencies that separate successful from unsuccessful ones."

(i) List out these competencies and briefly describe each of the competencies.

(15 Marks)

(ii) Of the ten, identify three as you feel may be important and justify your selection

(05 Marks)

(Total 20 marks)

4. (i) What are the different pricing methods used by entrepreneurs in fixing the price for their goods / services?

(02 Marks)

(ii) What are the main components of the "Cost of production?"

(02 Marks)

(iii) Calculate the cost of producing 1 kg of mixture snack. (Use a minimum of seven ingredients) Give all the assumptions and the details of your calculations.

(16 Marks)

(Total 20 Marks)