



FACULTY/COLLEGE	College of Business and Economics
SCHOOL	Johannesburg Business School
DEPARTMENT	Business Management
CAMPUS	SWC
MODULE NAME	Entrepreneurial Growth Strategies
MODULE CODE	EGS01B1/EGS0B01
SEMESTER	Second
ASSESSMENT OPPORTUNITY, MONTH AND YEAR	Supplementary Summative Assessment January 2020

ASSESSMENT DATE	January 2020	SESSION	
ASSESSOR	Mr Lawrance Seseni		
MODERATOR	Prof David Poee		
DURATION	150 Minutes	TOTAL MARKS	125

NUMBER OF PAGES OF QUESTION PAPER (Including cover page)	9
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INSTRUCTIONS:

- This is a closed-book assessment.
- Question papers must be handed in together with your answer books.
- Read the questions carefully and answer only what is asked.
- Answer all the questions:
 - Answer **Section A** on the scanner sheet provided. Indicate the correct answer as per the instructions on the scanner sheet.
 - Answer **Section B** in the answer book.
- Number your answers clearly.
- Write neatly and legibly on both sides of the paper in the answer book, starting on the first page.
- Structure your answers by using appropriate headings and subheadings.
- **The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.**

SECTION A**[20 MARKS]****Answer all questions****QUESTION 1**

The Fourth Industrial Revolution was introduced in the _____ century.

- A 17th
- B 18th
- C 19th
- D 21st

QUESTION 2

Which one of the following best describes the Fourth Industrial Revolution?

- A Mechanisation, water power, steam power
- B Mass production, assembly line, electricity
- C Cyber physical system
- D Computer and automation

QUESTION 3

_____ was one of the countries that were quick to adopt the German's strategy of digitalisation.

- A Egypt
- B United Kingdom
- C Namibia
- D South Africa

QUESTION 4

_____ is a skill that will be required in 2020.

- A Quality assurance
- B Emotional intelligence
- C Active listening
- D Quality control

QUESTION 5

The Fourth Industrial Revolution was first introduced in the year _____.

- A 2000
- B 2009
- C 2011
- D 2016

QUESTION 6

Which of the following jobs will emerge in the Fourth Industrial Revolution era?

- i. Accountants and auditing
- ii. Data specialists and organisational development specialists
- iii. Sales and marketing professionals
- iv. Business services and administration managers

- A i; iii
- B ii; iii; iv
- C ii; iv
- D ii; iii

QUESTION 7

Internal growth is also known as _____, generic, internal base, or even core growth.

- A organic
- B disparate
- C extinct
- D defunct

QUESTION 8

_____ is the biggest challenge that will be posed by the Fourth Industrial Revolution.

- A Education
- B Technology
- C Privacy
- D Traveling

QUESTION 9

_____ is a soft-employability skill that will be required in the Fourth Industrial Revolution era.

- A Communication
- B Self-reflection
- C Theorising
- D Brainstorming

QUESTION 10

The Fourth Industrial Revolution was adopted in the year _____.

- A 2011
- B 2018
- C 2013
- D 2016

QUESTION 11

To implement a strategy, the firm needs to develop strategic _____ and action plan.

- A objectives
- B ideas
- C plan
- D value

QUESTION 12

_____ integration occurs when the integrated business is not a supplier, customer or competitor.

- A Horizontal
- B Vertical
- C Lateral
- D Mixed

QUESTION 13

The world is regularly beset by _____ and catastrophic events such as wars, economic meltdowns and earthquakes.

- A success
- B calm
- C disasters
- D riches

QUESTION 14

Positive uncertainties may include _____ of the rand/dollar exchange rate that will decrease the cost of imported materials.

- A negative
- B positive
- C stable
- D critical

QUESTION 15

In a profit-seeking organisation, value creation can be in terms of a _____ for the owners of the organisation.

- A equipment
- B capital
- C employees
- D profit

QUESTION 16

In Zone _____, there is little likelihood of being able to turn the business around and the risks are great.

- A A
- B B
- C C
- D D

QUESTION 17

Once the decision has been taken to turn the business around, it should be _____ as soon as possible.

- A evaluated
- B reviewed
- C implemented
- D stabilised

QUESTION 18

A(n) _____ business is like a festering wound.

- A ailing
- B healthy
- C strong
- D successful

QUESTION 19

Risk _____ is a process to modify risk.

- A response
- B management
- C identification
- D modification

QUESTION 20

In the _____, business environment corporate governance was introduced by means of the King I (and currently King III) report on corporate governance.

- A United Kingdom
- B South Africa
- C United States of America
- D Canada

SECTION B**[105 MARKS]**

Read the case study below and answer Questions 1 to 10 that follow:

Xixongi Printing (Pty) Ltd
Entrepreneur: Mr Rito Cuma
Year of establishment: 2009

Mr Rito Cuma is the sole founder and director of Xixongi Printing company and he is currently working at SAQA as an HOD. He was born and raised in Orlando, Soweto, South of Johannesburg. His mother was a street vendor before she got a job at Avbob Funeral Services. Like any other township child, he grew up playing on the streets with his friends. His favourite game was street soccer.

He studied at his local township (Orlando), where he did his primary school and high school. After he completed his high school education, he got employment in Cape Town where he worked for two years. "I loved my job so much, but I had to quit so that I could go to university and get tertiary education," he says. He then ended up at the University of Johannesburg enrolling for a BA degree in Public Management and Governance. Immediately after completing his junior degree (BA Degree: Public Management and Governance), he then enrolled for an Honours Degree in the same field (Public Management and Governance).

The birth of Xixongi Printing company

In the early 2000s, there was an increase in printed T-shirts for family gatherings and funerals, personalised printed mugs, key holders and calendars for domestic use and corporate gifts. However, he was not happy with the quality of the products he saw. He then decided to offer the same products but at a higher quality. *"The only thing I want to see is people smiling and happy. I wanted to be the reason why people smile. I understand that these products will be part of memories that my customers will create", he says.* It was in 2009, when he was still a registered undergraduate student, that he started his printing business. He used some money from his savings to purchase the printing equipment, ink and a laptop so that he could kick-start his printing business. From 2009 until 2015 the traded as Ntseto Promotional Printing and from 2016 to date the business trades as Xixongi Promotional Printing. His customers are happy with his products and he says, "I specialise in exceeding the customers' expectations".

Mr Rito Cuma is concerned about the economic factors affecting his business. The business is not growing at a pace that he would like it to, due to the increase in petrol prices and the increased crime rate is of serious concern to him. He fears he can lose his equipment due to crime. He is also researching the latest technologies that he can use to increase the production and improve the quality of his products. He believes that this will take his business to the next level.

He is thinking of growing his business but he is clueless about business growth options and methods. He still needs someone who can explain licensing, franchising, acquisition and initial public offering.

By Lawrance Seseni, 2019

QUESTION 1**[7 MARKS]**

The systems, practices and controls referred to in this section have to do with decision making and the governing of the venture. Identify seven factors of poor planning of financial systems, practices and controls that Mr Rito Cuma must avoid.

QUESTION 2**[14 MARKS]**

Failure has different levels when evaluated in a business environment. Graphically illustrate the venture failure slide and its relation to growth.

QUESTION 3**[15 MARKS]**

Turnaround is difficult to achieve and even more so in the case of micro and very small business in South Africa. Identify and discuss five principles of a turnaround process that Mr Rito Cuma will use in a case where the business will be in trouble and provide an example for each principle of a turnaround process.

QUESTION 4**[16 MARKS]**

Define the following terms:

- a) Amalgamation (6)
- b) Reconstruction (5)
- c) Risk identification (3)
- d) Risk analysis (2)

QUESTION 5**[10 MARKS]**

The consideration of a business acquisition will either be the outcome of the development of your growth and acquisition strategy or an opportunity that presents itself to you. Identify and explain the information that Mr Rito Cuma will require when identifying opportunities for the acquisition strategy.

QUESTION 6**[18 MARKS]**

Licensor and licensee heavily depend on each other for the success of the agreement. Identify and discuss six steps in the licensing process that Mr Rito Cuma has to know and provide an example for each step.

QUESTION 7**[9 MARKS]**

Secondary stakeholders do not have a direct role, but still have the power to influence the functioning and effects of the market. Identify and discuss three secondary stakeholders in the PE market that Mr Rito Cuma should be aware of and provide an example of each.

QUESTION 8**[5 MARKS]**

Regardless of the degree of preparation undertaken, almost every entrepreneur feels unprepared and wants to halt the process at some point during the makeover process. Identify and explain the five questions that Mr Rito Cuma will have to use when evaluating several criteria.

QUESTION 9**[8 MARKS]**

The company must meet the JSE requirements for listing on the different markets. Identify and explain the four main markets for listing that Mr Rito Cuma must be aware of.

QUESTION 10**[3 MARKS]**

The public offering process is a very time-consuming and expensive process. Discuss the three principle methods of obtaining a listing that Mr Rito Cuma should be aware of.

END OF ASSESSMENT