



FACULTY/COLLEGE	College of Business and Economics
SCHOOL	Johannesburg Business School
DEPARTMENT	Business Management
CAMPUS	Bunting / Kingsway / Soweto
MODULE NAME	Entrepreneurship 2B
MODULE CODE	INT2B01/EMT2B01/ETS22B2
SEMESTER	Second
ASSESSMENT OPPORTUNITY, MONTH AND YEAR	Final Summative Assessment November 2019

ASSESSMENT DATE	November 2019	SESSION	
ASSESSORS	Dr M Bounds and Me N Mitchley		
MODERATOR	Me C van Tonder		
DURATION	120 min	TOTAL MARKS	100

NUMBER OF PAGES OF QUESTION PAPER (Including cover page)	10
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INFORMATION/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 multiple-choice sheet provided in the answer book. Indicate the correct answer as per the instructions on the multiple-choice sheet. **TOTAL of 16 MARKS.**
 - Answer **Section B and C** in the answer book. **TOTAL of 84 MARKS.**
- Number your answers clearly.

STUDENT NUMBER:.....

SECTION A**[16 MARKS]**

Read the case study and answer the questions 1.1 to 1.16 based on this case study.

Mr Nel established Dimension 5 Business Services Group (D5BSG) in 2004 with a team of five highly professional, dedicated people. Mr Nel identified the founding team from a network of family, friends and business contacts. Each member of the founding team is responsible for a different area of specialisation including financial services; financial management; human-resources management; general management and specialist business management.

In 2010, after five years, D5BSG was growing at 40% per year and profits were increasing on a monthly basis with the five founder members and 30 employees involved in the business. The owners as well as employees enjoy their work and the business grows through the expansion of client businesses as well as personal references from their clients to new businesses.

Mr Nel attributes the success of the business to continuous close contact with clients – and because clients experience positive results and increased profits in their businesses.

When the business was established in 2004 it had six clients, a number that grew to 98 clients in 2010 and by 2014, 130 clients. This growth was also due to the identification of additional needs of SMEs and the related extension of services to attend to these needs by D5BSG.

Most are found and managed by corporate entrepreneurs who realise that they cannot do everything themselves and see the value in assistance from specialists.

The services of D5BSG are brought in as most clients know that they would not be able to afford any of these services on a full-time basis. Through their service and close involvement. D5BSG becomes an essential part of their client's businesses.

QUESTION 1

The success of the business of Mr Nel from Dimension 5 Business Services Group (Pty) Ltd is due to _____.

- A close contact with clients and positive results
- B his personal involvement in the business
- C the highly professional founding team
- D all of the above

QUESTION 2

Ingenuity of Mr. Nel is evident from his _____.

- A. networks through which he managed to involve professional and experienced partners in the establishment phase of his businesses including family, friends as well as business connections from various backgrounds
- B knowledge and experience of the needs of Small and Medium Enterprises (SMEs) as well as good business skills, to diversify in a new business and his creativity ensured that he identified a need in the market
- C contribution of all available funds to the business and the full time commitment to the business as well as his willingness to work for a brief period at a reduced salary
- D All of the above

QUESTION 3

Mr. Nel is a _____ manager / owner.

- A necessity
- B growth oriented
- C franchise
- D start-up business

QUESTION 4

Which of the following statements, referring to Dimensions 5 and the environment in which it operates, is CORRECT?

- (i) Mutual dependence exists between corporate entrepreneurship and the environment.
- (ii) The forces in the corporate environment and the pace, at which they change, create uncertainty for the entrepreneurship manager.
- (iii) One of the means available to the corporate entrepreneurship person to cope with uncertainty in the environment is to embark on a process of human resources planning.
- (iv) Surviving in the corporate entrepreneurship sector depends on the early detection of changes in the environment.
- (v) Controllable forces like technological innovations, economic and political occurrences and the social changes in the community, positively influences the relationship between corporate entrepreneurship' and the environment.

Choose the correct combination

- A (i), (ii) and (v)
- B (i), (iv) and (v)
- C (i), (iii) and (v)
- D (i), (ii) and (v)

QUESTION 5

The interest of employees is positive as they are regarded ideal for becoming involved in the businesses because they _____

- A have sufficient funds, collateral, access to loans and a choice of business partners
- B they possess important skills such as ingenuity, leadership and the ability to take calculated risks
- C technologically advanced, exposed to business, inclined to be innovative, independent and prepared to face challenges
- D all of the above

QUESTION 6

Leadership is _____.

- A the same as entrepreneurship
- B not necessarily an entrepreneurial skill
- C shows strong similarities to entrepreneurship
- D none of the above

QUESTION 7

Successful corporate entrepreneurs _____.

- A take chances
- B take calculated risks
- C evaluate risk on their own
- D none of the above

QUESTION 8

The career anchor of an corporate entrepreneur includes one of the following:

- A to create something new
- B to tie different functions in a business together
- C to be fully accountable for total results
- D integrate the efforts of others

QUESTION 9

The true corporate entrepreneur is adaptive, innovative and willing to take risks, but as the business grows, a _____ style becomes necessary.

- A transformational leadership
- B bureaucratic
- C more managerial
- D habitual entrepreneurial

QUESTION 10

The corporate entrepreneur is a person in a large business or corporation who identifies an opportunity, and is willing to take moderate risks to _____ and manage the resources to ensure successful implementation and profitability.

- A expand the business
- B establish an independent business
- C establish a new business unit
- D resign and establish a new business

QUESTION 11

The following are typical skills of an corporate entrepreneur _____.

- A identification of business opportunities and availability of funds
- B ingenuity, calculated risk-taking and leadership
- C a business plan
- D management and finance.

QUESTION 12

Ingenuity includes _____.

- A financial, operations and marketing knowledge
- B intelligence, achievement, motivation and a willingness to take risks
- C good interpersonal relations and motivation
- D knowledge, skills, understanding of a business environment and creativity

QUESTION 13

Creativity involves the adjustment or refinement of existing procedures or products, and the identification of opportunities and solutions to problems. It always includes ____.

- A new ideas
- B new products
- C new services
- D adaptations of innovations

QUESTION 14

Creativity can only be applied if the corporate entrepreneur _____.

- A is qualified and has at least a post-matric qualification
- B has invented something new
- C has knowledge and skills of the industry in which he/she will operate
- D finds it easy to adapt to changing circumstances

QUESTION 15

Sound human relations and a positive attitude are the basis of:

- A ingenuity
- B calculated risk-taking
- C creativity
- D leadership

QUESTION 16

A good leader is positive, well adjusted, realistic, self-confident, group-oriented and a team builder, and seeks solutions, motivates people, _____ and gives credit for achievements.

- A gives individuals responsibility
- B regards him/herself as the most important person in the team
- C knows when to increase salaries
- D manages the team

SECTION B**[MARKS: 20]****QUESTION 1**

Read the scenario below and answer Question ONE that follows.

ABC Hardware was founded by James in 2000. James was the owner of a paint and hardware store and he became disheartened with the idea of having to purchase nuts and bolts, screws and nails, from wholesalers in very large quantities and then having to weigh them off, re-package and individually label for each sale. This was a very time consuming exercise and used a lot of valuable selling time for a relatively small purchase value.

His store was more focused on selling paint and he quickly realised that his staff was using far too much time weighing off fasteners. He decided to pre-pack a complete range in ideal quantities in off-peak times and so enabled his staff to quickly help customers in busy times.

Today, ABC Hardware DIY Solutions has over 1 500 pre-packed products and is represented in over 90% of the hardware stores in Southern Africa. ABC Hardware is primarily known as the orange and brown 'bag man' brand. The in-store presentation is characterised by their innovative display stand system where all the products are boldly displayed, readily available and easy to find because they are displayed per category. Being the market leader brought with it the responsibility and need to keep innovating.

ABC Hardware's other very successful brand, Fort Knox, was launched in 2005. This range consists of padlocks, mortise locks (euro profile and lever locks), door handles and keys. Fort Knox has grown from strength to strength and might become 'bigger' than ABC Hardware very soon.

Do any two questions out of this section:**QUESTION 1.1****[10 MARKS]**

Critically analyse any **five common traits** associated with entrepreneurial characteristics most applicable to Hendrik and give reasons for your selection.

QUESTION 1.2**[10 MARKS]**

As Eureka is competing in a constantly changing environment, it is important that the products are innovative. While Hendrik has shown to be a very creative individual. There are certain barriers that could hamper his creativity. Discuss any **five barriers/blocks** to creativity and substantiate how these could affect Hendrik.

QUESTION 1.3**[10 MARKS]**

Managers struggle with the concept of failure, not only with their own decisions that Result in in outcomes well below expectations. Discuss the link between **culture and entrepreneurial** failure or success.

SECTION C**[MARKS: 64]****QUESTION 2****[12 Marks]**

Use the Model of Middle-Level Managers' Entrepreneurial Behaviour as a guideline. **Identify** (1 mark) and **explain** (1 mark) the actions that middle managers must take to ensure that entrepreneurship contributes to the success of organisations.

QUESTION 3**[10 Marks]**

Consider the scenario below, and then answer the question that follow.

The Uniform Project was born in May 2009, when one girl pledged to wear a Little



Black Dress for 365 days as an exercise in sustainable fashion. Designed to also be a fundraiser for the education of underprivileged children in India, the project acquired millions of visitors worldwide and raised over \$100k for the cause. U.P then continued into Year 2 with a monthly series of select Pilots taking

on the 1-Dress challenge for causes of their choice. Today, women around the world continue to take on the 1 Dress challenge and wear U.P LBDs as an expression of socially conscious fashion.

Article source: Uniform Project, 2018.






Strategic planning allows corporate business owners to look into the future, then amend AND **develop business and innovation strategies** in order to be successful in the long term. Discuss the statement by referring to the scenario.






QUESTION 4**[MARKS: 14]**

Consider the scenario below and apply your knowledge about corporate venturing by answering in full sentences the questions that follow:

Telkom is a leading information and communications technology services provider in South Africa. We had consolidated operating revenue of R41 billion and normalised profit after tax of R3 907 million for the year ended 31 March 2017. Total assets amounted to R48.0 billion and equity attributable to the owners of Telkom to R27.6 billion as of 31 March 2017. As of 31 March 2017, we had approximately 3.0 million telephone access lines in service and 1,329,450 ports connected via MSAN access. We offer business, residential and payphone customers a wide range of services and products.

Telkom group structure

Group		
Divisions	100% owned subsidiaries	64.9% owned subsidiary
		
		

Business units	Key strategic focus areas
	<ul style="list-style-type: none">• Modernise the network• Commercialise the network• Transform service delivery
	<ul style="list-style-type: none">• Offer cloud solutions• Advance unified communications• Lead in IoT• Drive big data analytics• Security
	<ul style="list-style-type: none">• Continue mobile growth through disruptive data-led propositions• Grow high-speed broadband on the back of LTE and fibre• Launch digital services• Offer content and value-added services
	<ul style="list-style-type: none">• Grow mobile ad exchange network coverage• Expand omni-channel offerings• Establish an e-commerce market place• Expand partnership to over the top players
	<ul style="list-style-type: none">• Unlock value through commercialising property portfolio• Extract value from excess building capacity• Enable smart building solutions• Diversify income streams

- 4.1 What type of corporate venturing does Openserve represent? (2)
- 4.2 What is the motive behind Openserve as corporate venture? (2)
- 4.3 What is the specific reason why Telkom embarked on Openserve as a corporate venture? (2)

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- 4.4 What type of corporate venturing does Gyro represent? (2)
- 4.5 What is the motive behind Gyro as corporate venture? (2)
- 4.6 What is the specific reason why Telkom embarked on Gyro as a corporate venture? (2)
- 4.7 What type of corporate venturing does Trudon represent? (2)

QUESTION 5**[28 Marks]**

Explain entrepreneurial motivation and the critical role of reward system's under the following headings:

- 5.1 Introduction (2)
- 5.2 Expectancy model (**not the diagram**) (12)
- 5.3 Five principles to guide the use of awards programmes (10)
- 5.4 Four key behaviours that define entrepreneurial manager (4)

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