

**Uva Wellassa University of Sri Lanka**  
**Faculty of Science and Technology**  
**Department of Computer Science and Technology**  
**200 level 2<sup>nd</sup> Semester Examination – Dec.-2017/Jan.- 2018**  
**IIT241-3 Entrepreneurship**



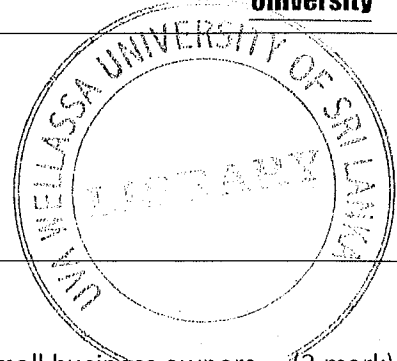
**Instructions to candidates**

**Total time duration:** Three (03) hours

**Number of questions:** Six (06) essay

**Mark allocation:** 100

**Answer all the questions.**



1.
  - a. Briefly explain the distinction between Entrepreneurs and Small business owners. (3 mark)
  - b. Briefly explain 'Intrapreneurship'. Provide appropriate examples. (2 mark)
  - c. Discuss the importance of entrepreneurship. (4 mark)
  - d. Briefly explain the types of innovations. Provide appropriate examples. (4 mark)
  
2.
  - a. Differentiate, Idea vs. Opportunity. (2 mark)
  - b. Briefly explain the term 'window of opportunity'. (3 mark)
  - c. Briefly explain the ways of identifying an opportunity. (4 mark)
  - d. 'Focus strategy' involves offering a specialized product/service in a niche market. Discuss the disadvantages of embarking on such a strategy. (4 mark)
  
3.
  - a. Briefly explain the categories of new products and provide examples for each. (4 mark)
  - b. Discuss pricing of new product with reference to each stage of Product Life Cycle (PLC). Provide appropriate examples. (4 mark)
  - c. Describe the application of '4Ps in marketing' when marketing a new product. (5 mark)
  
4. Write short notes on the followings;
  - a. Components of product/service feasibility analysis (4 mark)
  - b. Levels of competitors (4 mark)
  - c. 'Ansoff Matrix' and options for business growth (5 mark)

5. XYZ company manufactures sports wheelchairs and accessories which it sells directly to disabled people wishing to participate in a variety of sports including basketball and tennis as well as athletics events. It was established 10 years ago by Mr D, a keen sportsman, who has a disability himself and who is passionate about making sport accessible to all. All of the products manufactured by XYZ company are designed according to the regulations set out by the relevant sports federations and are sold online or by mail order. In manufacturing its products, the company relies on a small number of suppliers to provide specialist high quality component parts. With the success of the Paralympic Games in 2012, there has been a surge of interest in sports for disabled participants with more and more people wanting to get involved. This has made the industry competitive. D is concerned about the threats to the future profitability of the company because of increased competition.

a. Explain the factors that could lead to a reduction in profits for XYZ company, using Porter's Five Forces model. (20 mark)

b. Briefly explain the drawbacks of using the above model. (4 mark)

6. ABC company, established over ten years ago, designs interactive games software. Until two years ago it was very successful, performing well in the market place returning high dividends to its shareholders. It is evident that ABC company has lost significant market share. The Board decided to employ a consultant to help it determine how to re-establish and reposition the company as the market leader.

The findings from the consultant's initial investigation reported that with the growth of the company, bureaucratic controls limiting the creativity and innovation.

Employees no longer feel inclined to contribute new ideas because of the lengthy decision making process needed to gain approval. In addition, they are unwilling to try out new ways of working because they are blamed for making mistakes. Rather than adopting an open and flexible approach, managers conform to ABC Company rules. This has led to the organization failing to exploit potential new ventures because they are considered to have greater risk. People are rewarded for achieving their personal objectives but this often means they are not encouraged to think outside the box of their current activities.

In presenting his recommendations to the Board, the consultant has suggested that the company needs to encourage greater entrepreneurial spirit within organization and reduce the barriers to creativity and innovation.

a. Explain the characteristics/qualities that entrepreneurs have, which might make it difficult for them to work in the environment of ABC company. (12 mark)

b. Explain the actions to be taken to encourage creativity and innovation in ABC company. (12 mark)

