


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**ETP2601**  
**ENTREPRENEURSHIP AND ENTREPRENEURIAL SKILLS**  
**OCT/NOV 2017**

STUDENT NUMBER									

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Question No.	Marks					
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**ETP2601**

October/November 2017

**Entrepreneurial Skills**

Duration 2 Hours

70 Marks

**EXAMINERS**

FIRST

MS NM MMAKO

SECOND

PROF GE CHILOANE-TSOKA

Closed book examination

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**Section A**

- **This section is compulsory.**
- The total for this section is **30 marks**

**Section B**

- Section B comprises of **three** questions
- You must answer **any two** of the three questions
- Each question counts **20 marks**
- The total for this section is **40 marks**
- Indicate the numbers of the questions you have answered on the **cover** of this book

**[TURN OVER]**

**SECTION A (COMPULSORY)**

**Answer ALL the questions in this section.**

**QUESTION 1**

**Read the case study below and answer all the questions that follow.**

**From Dirt Poor to Self-Made Millionaire: Lebo Gunguluza**

When Lebo Gunguluza arrived in Durban in 1990, he had R60 to his name. At 26 he bootstrapped his first company, Gunguluza Entertainment. "I spent my first million in one year. By the end of 1999, I was flat broke. My car was repossessed and I was blacklisted." But Gunguluza isn't one to turn away from a goal. Down and out, he would walk to the CNA and stand in a corner reading business books that he couldn't afford to buy. If the staff chased him away, he'd go home, change his clothes and come back.

"The experience of being broke reinforced what I found out early on in business. You don't always need money to acquire things – it's often possible to use your resources and barter when you don't have cash. Without funding, tenders or loans, I had made my first million at the age of 27. It's a principle I still live by today. I never borrow money from the banks. It can cripple you forever. The other problem is that many young people who secure a loan treat it as a lotto win and live the high life on it. That's why so many projects are abandoned half way."

"I hit rock bottom for a few reasons. Aside from the flashy lifestyle, I realised then that you have to choose your market sector carefully. Entertainment is a fickle industry and promoters can be unscrupulous. Often we would not get paid on time. I made up my mind that whatever I went into next, it would be in a space that pays well and has structure."

Three key points stood out for him. Whatever business you go into, you had better know it inside out, down to the last bolt, you must always have a strong sales ability in the business, and cash is king, so whatever money you make, try to retain as much of it as possible and use it to advance the company.

He also began to build an extensive public sector network that saw him consulting on communication strategies with several municipalities. By 2003, at 33, his business was turning over R14 million, a result of several big ticket contracts he had secured with blue chip companies. He'd reached his next milestone before the age of 35 and had become a corporate communications specialist by applying his now considerable media and publishing experience.

**Adapted from** <http://www.entrepreneurmag.co.za/advice/success-stories/entrepreneur-profiles/lebo-gunguluza/> and <http://www.entrepreneurmag.co.za/advice/success-stories/entrepreneur-profiles/10-sa-entrepreneurs-who-built-their-businesses-from-nothing/4/>

**[TURN OVER]**




- 1 2 Lebo practically explains what feasibility and viability are in the case study above.
- 1.2.1 Explain the concepts feasibility and viability. (5)
- 1.2.2 With reference to the case study, describe the two (2) steps involved in doing a viability study. (5)

**Feasibility and viability**


**Steps involved in doing a viability study**



- 1 3 Lebo Gunguluza believes you do not need money to acquire things in the business. He cautions young entrepreneurs against taking loans. There are many financial barriers that can limit an entrepreneur’s creative thinking. List the six (6) financial barriers to creative thinking. (6)

**Financial barriers to creative thinking**



14 Lebo states that “cash is king” and that an entrepreneur should try to retain as much cash as possible and use it to advance the company Budgeting may help entrepreneurs do this List the four (4) main steps in the budgeting process (4)

**Steps in the budgeting process**


[30]

[TURN OVER]

**SECTION B**

Answer any <b>two</b> of the following three questions in this section
--

**QUESTION 2**

- 2.1 Entrepreneurs need to understand liabilities that the business has. Different types of liability exist. Describe these three (3) types of liability. (9)

**Three (3) types of liability**





22 Many entrepreneurs are not always clear what intellectual property is and what it is not.  
What is intellectual property? (5)

**Intellectual property**


[TURN OVER]


2 3 Describe the advantages and disadvantages of a formal business (6)

**Advantages and disadvantages of a formal business**


**[TURN OVER]**


[20]

**QUESTION 3**

- 3 1 Cognitive barriers exist when individuals apply a constrained approach to idea generation and problem solving. Discuss the five (5) cognitive barriers to creative thinking. (10)

**Cognitive barriers to creative thinking**


[TURN OVER]


3.2 Without sales a business ceases to exist. Discuss the five (5) critical selling skills (10)  
**Five (5) critical selling skills**


[TURN OVER]


[20]

**QUESTION 4**

4 1 In table format, differentiate between management and leadership. (8)

**Difference between leadership and management**


[TURN OVER]


4.2 Provide definitions of the following concepts:

4.2.1 Intrapreneur (2)

4.2.2 Intrapreneurship (2)

**Definition of concepts**



- 4 3 The market environment is made up of a number of sub-areas which need to be understood in order to determine feasibility Describe these four (4) sub-areas of the market environment. (8)

**Four (4) sub-areas of the market environment**



[20]

TOTAL: [70]

[TURN OVER]



**ROUGH WORK PAGE 1**  
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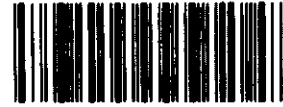
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