FINAL %	

UNISA

ETP2601

ENTREPRENEURSHIP AND ENTREPRENEURIAL SKILLS

MAY/JUNE 2017

STUDENT NUMBER									

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Question No	Marks					
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	1		2		3	
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UNIVERSITY EXAMINATIONS

UNIVERSITEITSEKSAMENS

UNISA university of south africa

ETP2601

May/June 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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This examination paper consists of eighteen (18) pages.

This is a fill-in examination paper and the whole paper must be submitted at the end of the examination session

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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.

Ntombenhle Khathwane on succeeding in the hair-care industry

I started working on AfroBotanics in 2009 after a visit to my grandmother I had been working in government and was bored, and had looked into going into business for a while I quit my government job and used my pension fund to start my business

During my visit to my grandmother, she had asked me to do her hair She mixed aloe vera gel with some natural oils and asked me to apply the mixture to her hair Her hair was coarse, hard and dry like mine, but after applying the concoction, it immediately became soft

When I returned home I tried to recreate what she had made I was finally able to wear my hair natural because her mixture softened it so beautifully, but I wasn't really into the DIY aspect By 2010 I had written a business plan for starting a new business and started developing and testing products I won a national business plan pitching competition called Pitch & Polish and gained confidence in my idea I quit my government job and used my pension to pay for a trip to the US to explore what they were doing and to speak to experts I started selling my products, and by 2011 had established an online presence

When revising my business plan, I realised that there were natural products available that were geared towards natural hair care, but they weren't easily accessible That's when I decided that I wanted to build a brand that would be sold in national retail chains

It took two years of hard work, sacrifice and lots of rejection before the range was approved for listing in Game stores in 2014, and soon another national retail chain will stock our products

What differentiates AfroBotanics products from others on the market?

AfroBotanics bottles African wisdom, which is enhanced by science Africa is central to our brand We purposely use African botanical oils and extracts that have been used for hair care by African women for centuries

We have purposely positioned ourselves as a brand that celebrates African women and African progress We do what other leading brands in the market don't do, we use our voice to influence and contribute to the development of women and Africa We aren't just trying to sell, we are also trying to build To stand out in this busy hair-care market, you need to stand out

I would tell women who want to start a business to be authentic and draw from what is natural to you, especially your passion I would also tell them to network and build relationships Learn to think critically, to analyse and read the environment, to always find gaps in the market and to keep reinventing your business Your business should always be relevant and respond to pressures and changes quickly Creativity is essential Contrary to popular belief, creativity can be learned through practise It's important to learn creativity in order to keep a business growing

Adapted from http //www destinyconnect com/2016/04/15/149445/

QUESTION 1 (Compulsory)

1 1 Ntombenhle Khathwane explains that she compiled a business plan for starting a new business

1 1 1 Provide a definition of the term 'business plan' (2)

1 1 2 Describe the contents of a business plan formulated as a strategic document for a new or existing business (8)

Definition of business plan

Business plan as a strategic document for starting a new business

1 2 Ntombenhle Khathwane quit her government job and used her pension fund to start her business

1 2 1 Which source of funding did she use? (1)

1 2 2 Describe this type of funding (5)

Type of funding used

Description of the type of funding

1 3 When Ntombenhle Khathwane entered the natural haircare market she realised a few things about the market in which she had entered With reference to the case study, discuss the sub-areas that need to be understood to determine feasibility in the market environment (14)

Sub-areas of the market environment

[30]

SECTION B

Answer any **two** of the following three questions in this section

QUESTION 2

2.1 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

2 2 Various sources of finance exist for entrepreneurs Explain in detail what bootstrapping is (10)

Bootstrapping

[20]

QUESTION 3

3 1 Three (3) different types of liability exist for businesses and business owners Describe these three (3) types of liability (9)

Types of liability

3 2 There are different types of entrepreneurs Briefly describe the five (5) types of entrepreneurs (11)

Types of entrepreneurs

[20]

QUESTION 4

4 1 Explain how skills, expertise and aptitudes can help entrepreneurs in their business ventures (6)

Types of entrepreneurs

4 2 What are the things that the entrepreneur needs to follow in the process of concluding a contract? (5)

Concluding a contract

4 3 When starting a business an entrepreneur needs to follow three (3) stages Explain the three stages of setting up a business (9)

Stages of setting up a business

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