

Tutorial Letter 201/2/2020

ENTREPRENEURIAL SKILLS

ETP2601

Semester 2

Department: Applied Management

IMPORTANT INFORMATION

This tutorial letter contains important information about your module.



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1 INTRODUCTION

Thank you for completing Assignments 01 and 02. We know that it is not always easy to adhere to due dates, and that most of you work under a lot of pressure because of work and personal commitments. This tutorial letter contains comments on Assignment 01 and 02 as indicated in Tutorial Letter 101/3/2020.

2 LECTURER(S) AND CONTACT DETAILS

2.1 Lecturer(s)

The contact details for the lecturer for this module are as follows:

Lecturer	e-mail address
Ms WT Sami Primary Lecturer	samiwt@unisa.ac.za

Details of other lecturers in the Section: Entrepreneurship are as follows:

Lecturer	e-mail address
Ms TP Baadjie Secondary Lecturer	baadjtp@unisa.ac.za

Only academic queries concerning the content of this module, and not administrative queries should be directed to the primary lecturer. Please have your study material with you, when contacting us.

3 EXAMINATION GUIDELINES

Please note the following important information:

3.1 Year mark

To pass this module, you require a final mark of 50%. The assignments will contribute 20%, and the examination 80% to your final mark. You must obtain a subminimum of 40% in the examination, irrespective of the year mark obtained. You will therefore not pass the examination if your examination mark is less than 40%. Please refer to Tutorial Letter 101, which you received when you registered for the module for more information on the calculation of the year mark. It also contains more details on the calculation of your final mark. Study the example below to see how the assignment mark (the weighted mark of the two assignments) will contribute to the final assessment mark.

3.2 Examination Paper

Study the following valuable information on the examination paper carefully:

- ❖ The examination paper may include some of the questions that appeared in the assignments.
- ❖ Short, direct and/or indirect case studies will be included in the examination.
- ❖ You must be able to define and describe concepts; give examples and explain what is meant by certain concepts.
- ❖ Read each question carefully before answering it. Take note of key words such as “list” or “discuss”; and do what the question asks you to do. For example, if you are asked to list and discuss concepts, please do so. If you only list without discussing, you will only get part of the marks.
- ❖ The examination paper is set in English.
- ❖ The examination paper counts 70 marks and comprises only case study questions and you will be penalised for giving only theory answers.
- ❖ Previous examination papers are available on myUnisa and the lecturer will not supply you with these.
- ❖ The examination department will notify you of the examination date and time.
- ❖ You are advised to study the model answers to Assignments 01 and 02 as part of your examination preparation.
- ❖ Comprehensive details on the administration of examinations, including criteria and dates of supplementary examinations, are available on myUnisa under “**Examinations**”.
- ❖ Several resources and tips are also available on myUnisa to assist you with stress management and other related issues during examination periods.

4 FEEDBACK ON ASSIGNMENTS

Assignment 01

Question 1

The correct answer is 3. See page 8 of the prescribed textbook.

When entrepreneurs are open-minded, flexible and able to learn quickly, they display creativity and innovation.

Question 2

The correct answer is 2. See page 8 of the prescribed textbook.

Devi is an entrepreneur. She believes that her accomplishments and setbacks are within her control and nobody else's. She displays locus of control.

Question 3

The correct answer is 3. See page 33 of the prescribed textbook.

You are trying to develop a leadership style. You think about the leaders you admire and those you do not. You are evaluating observing and learning from others.

Question 4

The correct answer is 4. See page 12 of the prescribed textbook.

Microentrepreneur, someone who is a formal sector entrepreneur with no employees or up to ten employees.

Question 5

The correct answer is 4. See page 12 of the prescribed textbook.

Subsistence entrepreneur, someone who is involved in independent income generating activities operating as a small-scale vendor.

Question 6

The correct answer is 1. See page 12 of the prescribed textbook.

Basic survivalist, someone who operates as an entrepreneur to survive until he or she obtains a job in the formal sector or an entrepreneurial opportunity.

Question 7

The correct answer is 2. See page 12 of the prescribed textbook.

Small-scale entrepreneur, someone who is a formal sector entrepreneur with 11-49 employees.

Question 8

The correct answer is 3. See page 46 of the prescribed textbook.

Setting goals helps the entrepreneur track progress.

Question 9

The correct answer is 4. See page 48 of the prescribed textbook.

The acronym SMART stands for Specific, Measurable, Attainable, Relevant, Timeous.

Question 10

The correct answer is 2. See page 51 of the prescribed textbook.

A mission describes the current activities of the business.

Question 11

The correct answer is 1. See page 59 of the prescribed textbook.

Networking is the process of meeting people, building relationships that can benefit all those involved, sharing information and ideas and getting your business on the map.

Question 12

The correct answer is 1. See page 61 of the prescribed textbook.

Reputational networks are made up of partner firms that are market leaders, or highly regarded firms or individuals, and one of the main objectives of entering this relationship is to increase the entrepreneurial firm's credibility.

Question 13

The correct answer is 2. See page 62 of the prescribed textbook.

Social media networks refer to web-based services that allow individuals to create a public profile, create a list of users with whom to share connections, and view connections within the system.

Question 14

The correct answer is 3. See page 85 of the prescribed textbook.

Expecting and demanding high ethical standards describes the 5th step in the seven steps to ethical leadership.

Question 15

The correct answer is 3. See page 81 of the prescribed textbook.

Effectuation may be defined as the ability to capitalise on your special skills.

Question 16

The correct answer is 1. See page 84 of the prescribed textbook.

Reprimanding an employee abusing company property is not unethical behaviour.

Question 17

The correct answer is 1. See page 100 of the prescribed textbook.

Business model refers to how a business proposes to create value for its customers by satisfying their needs from its innovation and make revenue from its operations.

Question 18

The correct answer is 3. See page 93-95 of the prescribed textbook.

The three forms of innovation are product, service and process.

Question 19

The correct answer is 1. See page 168 of the prescribed textbook.

Trademark is a name, design, symbol or any feature that distinguishes your product from that of a competitor.

Question 20

The correct answer is 2. See page 186 of the prescribed textbook.

The breakeven point refers to a situation where the enterprise is neither making a profit nor realising any loss.

Assignment 02

Question 1

1.1. Commitment and determination, entrepreneurs are tenacious, decisive and persistent in problem solving and commit to business by dedicating their skills, expertise and resources in establishing and building businesses✓. All my life I was always exposed to getting what I needed, thus the sudden change made me hungrier to succeed in whatever I set my mind to do, to maintain or keep afloat the life I had become accustomed to✓.

Willingness to take risks, entrepreneurs take calculated risks and often reduce risk by finding investors to provide finance or negotiating for suppliers to provide goods immediately and arrange special payment terms✓. Over the past years I have had to learn that sometimes you have to dip into your personal finances to keep the business afloat, as large clients tend to have a 30 to 90-day payment term✓.

Determination and perseverance, entrepreneurs show confidence in themselves and their business, they are not easily discouraged and are prepared to face difficult situations and problems✓. I quickly learnt that the journey of an entrepreneur does not warrant overnight success: you need to keep going. As the saying goes: "suffering produces endurance; endurance produces character; and character produces hope. Hope never puts us to shame."✓

Good human relations, entrepreneurs know how to work with people by relating well to clients and employees as very important resources contributing to the success of the business✓. I have had to do this in the past to appease my employees: they have been loyal to me with their services; therefore, I have to be loyal to them with payments✓.

Passion, entrepreneurs are more likely to succeed when they start a business that they are passionate about✓. In the year of my matriculation from high school there was a sudden boom in interest for premium virgin hair✓.

Need for achievement, entrepreneurs are motivated to excel, are goal oriented and aware of their personal strengths and weaknesses, they appear to have a strong desire to compete and excel at self-imposed standards✓. To date our greatest achievements, include the following, Ultra Vision Brand Activators has had the Nando's franchise in South Africa as a client across Limpopo and Gauteng, and Nzuri Hair is currently supplying two of the current Miss South Africa Finalists (Refilwe Mthimunya and Busisiwe Mahlangu) with hair✓.

1.2. Necessity entrepreneur✓ It is someone who starts a business because he or she does not have any other choice. They have been retrenched or have not grown their business sufficiently to be in a position to retire✓. As a family we had a financial crisis and I had to make ends meet. That was my launch into an entrepreneurial career; although forced – I see it (rather) as a dive into the opportunity that I had been waiting for✓.

1.3. **Budgeting steps -15 marks**

1. Define goals – think what you want to achieve (volume of sales or revenue)
2. Collect information – estimate all your income and expenses (variable and fixed)
3. Draw up the budget – use a template or spreadsheet and upload collected information
4. Control the budget – monitor periodically the progress at predetermined checkpoints
5. Make adjustments – adapt figures as necessary to ensure that defined goals are accomplished.

Question 2 (any 5)

2.1. Negative attitude, the tendency to focus and spend time and energy on negative thoughts and negative aspects of products retards creativity and creative thinking.

Fear of failure, usually associated with the lack of business experience, forces people to be extra cautious and less adventurous to try something new✓. This barrier is associated with lack of self-confidence where entrepreneurs are hesitant to try something new✓.

Stress, feeling stressed and mentally exhausted reduces the quality of creative thinking✓. Usually stress results in negative attitudes which in turn reduce objective thinking✓.

Overreliance on rules, to become creative usually requires bending and disregarding rules and the status quo✓. Thus, if an individual relies on rules and policies to solve new problems it grossly diminishes creative thinking✓.

Intolerance to criticism and conflict, usually within a group, certain individuals fear criticism✓. Others fear raising different opinions because of the possibility of conflicts from holding opposing views and this inhibits one from trying out ideas✓.

Overreliance on logic, investing time and effort on logic and analytical thinking that is mechanistic in nature prohibits creative thinking✓. To be creative usually requires fluid and free thinking✓.

Making assumptions, making assumptions about the way phenomena are is contrary to creative thinking because they must be proven right or wrong through actions or tests✓. Most assumptions people hold are conscious, however subconscious assumptions also determine behaviour✓.

2.2. Leave this one out

3.1. Leadership vs management- 8 marks

Function	Management	Entrepreneurial leadership
Determining what needs to be done	Planning and budgeting	Setting a direction and vision
Creating networks and relationships to accomplish the agenda	Organising and staffing	Creating networks and aligning people
Ensuring that the people recruited to perform a job actually do perform	Controlling and problem solving	Motivating people and developing motivated leaders

3.2. Intellectual property is the product of independent thought in developing something new or original✓. Intellectual property can be defined as the creations of the mind such as inventions, literary and artistic works, designs and symbols, names and images used in commerce✓. Intellectual property exists in various forms e.g. patents, registered designs, copyright, trademarks and know how✓. Intellectual property law protects the products of the intellect that are capable of commercial exploitation✓. Some intellectual property rights require a formal process of application, examination and registration and in some cases, they do not need to be registered in order to be of value✓. Intellectual property has many of the same ownership rights as physical property and it is important for businesses to effectively manage their intellectual property to ensure they get the best protection and the most out of their idea/invention✓.

3.3. Leave this one out

TOTAL 54 marks

5 CONCLUDING REMARKS

We trust that you will find the feedback and information given valuable. Do not hesitate to contact us if you have any questions regarding the assignments, feedback or examination guidelines provided in this tutorial letter.

We wish you all the best with your studies.

Enjoy the journey!

Ms WT Sami – Primary lecturer for ETP2601