



UGANDA MANAGEMENT INSTITUTE

POSTGRADUATE DIPLOMA IN BUSINESS ADMINISTRATION

SECOND SEMESTER EXAMS 2017/2018

MODULE

ENTREPRENEURSHIP MANAGEMENT

Date: Monday 1 October 2018

Time: 09.00 AM - 12.00 NOON

INSTRUCTIONS

1. Answer **FOUR** Questions.
2. Question **ONE** of Section A is compulsory and carries **40** marks.
3. Answer any other **THREE** Questions from Section B. Each question carries **20** marks.
4. Write clearly and legibly.
5. Do not write anything on the question paper.
6. Do not take Mobile Phones into the examination room.
7. Follow the instructions of the Examination Supervisor.
8. Indicate questions answered on the Answer Sheet in the column of Questions.

This paper consists of 3 printed pages.

-GOOD LUCK-

SECTION A:**COMPULSORY****(40 MARKS)****QUESTION ONE**

The last decade has seen a rapid growth in entrepreneurship in Uganda with numerous privately owned businesses being created; this fact is backed up by the 2015 report published by Global Entrepreneurship Monitor (GEM) Approved Index that not surprisingly named Uganda as the most entrepreneurial country in the world. Entrepreneurship in Uganda has been driven by many factors such as high unemployment rates that have compelled many people to go into business and entrepreneurial opportunities brought about by opening up of regional markets.

For many of these new businesses there has been varied results; some have been very successful and grown exponentially even setting up several branches while others have struggled or completely failed, some even changing ownership several times. The above is typically in conformity to global statistics that reveal that more than 50% of new enterprises fail within the 1st year of starting operations and up to 95% fail within 5 years.

REQUIRED:

- a. From your studies you have learnt that the entrepreneurial process is a general framework that describes how entrepreneurs create new wealth, explain the various components of the entrepreneurial process. **(15 marks)**
- b. Bearing in mind the grim statistics related to business failure ,examine the main reasons why new businesses in Uganda often fail **(15 Marks)**
- c. As seen above many businesses fail because they are unaware of the many sources of support that are available to them; Explain the various financial and non-financial support systems available to entrepreneurs. **(10 marks)**

SECTION B: ANSWER ANY THREE QUESTIONS FROM THIS SECTION**QUESTION TWO**

QUESTION 2: An entrepreneur should be able to identify business opportunities and eventually carry out thorough screening of the various business ideas.

After completing your course at UMI , you identified 10 business opportunities. Explain the criteria you can use in screening the business opportunities before arriving on the final business opportunity to invest your resources. **[20 marks]**

QUESTION THREE

Business plan is an entrepreneurial tool and all entrepreneurs should have it. As a graduate of DBA, make a presentation to local chamber of commerce and industry explaining to them the need for their business having a business plan. **[20marks]**

QUESTION FOUR

- (a) "Small and medium enterprises have a challenge of sustaining competitiveness in any industry: using examples, explain how an organisation can sustain competitiveness in the current hyper competitiveness environment. **[10 marks]**
- (b) "Top leadership role and high motivation by all the team members play a critical role in the success of an enterprise". Discuss the role of entrepreneur in motivation of enterprise team members. **[10 marks]**

QUESTION FIVE

Many organisations facing challenges in managing orderly growth of their organisation. Explain the different stages which small businesses go through in the growth process and suggest how an entrepreneur should handle the business in those various stages. **[20 marks]**

QUESTION SIX

- a) "In Uganda, more than 90 per cent are family owned businesses and the big names in the corporate world are family businesses. However they are facing challenges of governance even when the founders are still alive and the situation gets worse when the owners pass on. There is a feeling that this is due to poor governance structure."
- (a) Explain how a well-functioning governance structure will help to mitigate the above governance challenges. **[10 marks]**
- (b) Outline the steps one can undertake to have a formal succession plan for a small business. **[10 marks]**

END