



UNIVERSITI  
TEKNOLOGI  
PETRONAS

## FINAL EXAMINATION SEPTEMBER 2016 SEMESTER

**COURSE : GDB2093 – BUSINESS VENTURES**  
**DATE : 20<sup>th</sup> DECEMBER 2016 (TUESDAY)**  
**TIME : 9.00 AM – 12.00 NOON (3 hours)**

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### INSTRUCTIONS TO CANDIDATES

1. Answer **ALL** questions from this Question Booklet.
2. Begin **EACH** answer on a new page in the Answer Booklet given.
3. Indicate clearly answers that are cancelled, if any.
4. Where applicable, clearly indicate steps taken in arriving at the solutions and state **ALL** assumptions, if any.
5. Do not open this Question Booklet until instructed.

**Note :** There are **FOUR (4)** pages in this Question Booklet including the cover page.

1. a. Analyze the pros and the cons of a sole proprietorship, a partnership and a corporation in terms of

i. continuity

[5 marks]

ii. liability

[5 marks]

- b. Why investors weigh very heavily on a management team in a business plan? Explain.

[10 marks]

2. a. What is considered as a new entry in a business? Discuss.

[10 marks]

- b. Do you agree that a company would gain a competitive advantage over its competitors by becoming a first-mover? Discuss.

[10 marks]

3. a. Construct

i. an income statement.

[5 marks]

ii. a balance sheet.

[5 marks]

- b. Explain to an aspired entrepreneur, the main content of a cash flow statement and its importance.

[10 marks]

4. The owner and chairman of AEC Retails Store Sdn Bhd (ARS), Mr Jamil, is very fascinated with Wal-Mart Stores, Inc. success story. Having already 4 ARS outlets in Perak, Mr Jamil has no intention to sit on his laurels. He in fact, intends to expand his business empire not only in Malaysia, but also throughout the South East Asia within the next 10 years. In one of a seminar attended by Mr Jamil, he was informed that there were several distinctive and unique factors called 'The Wal-Mart Way Principles' that had played a major role in the company's success. Mr Jamil, however, had no details on the factors. Assume that you were recently hired by ARS to spearhead its Business Expansion Department and your first task is to provide information to Mr Jamil on how 'The Wal-Mart Way Principles' could be applied in ARS so that ARS could emulate Wal-Mart's success.

Prepare a first phase report to Mr Jamil on how to apply any **FIVE (5)** of the 'The Wal-Mart Way Principles' in ARS.

[20 marks]

5. Bulan Mengambang Restaurants Sendirian Berhad (BMRSB) is a typical Malay restaurant serving local customers for lunch and dinner with Malay dishes. It is located at Seri Iskandar, Perak with a population of 40,000 people in which almost 40 percent are students attending tertiary education from various higher learning institutions (HLIs) in the area.

After a slow start in the first year due to stiff competitions from many local restaurants and fast food operators such as McDonald's, Kentucky Fried Chicken, Domino's and Pizza Hut, BMRSB had gained a tremendous increase in sales of 25 percent per annum for the past 6 years. As a result, it has also expanded its business premises from 1400 square feet to 4,000 square feet to cater the increasing number of its daily customers in its first outlet. Excited with the tremendous responses on its first outlet, BMRSB opened 3 new outlets in different districts in Perak in 2016.

However, Mr Bulan, the founding owner, recently realized that the company's business growth has created a number of managerial challenges especially, pressures on existing financial resources, human resources, the management of employees, and his time. Mr. Bulan feels that it is time for him to use external parties to help BMRSB business growth. He knows that you have attended a Business Venture class at one of the HLIs nearby his outlet and would like to seek your advice.

Advise Mr Bulan any **THREE (3)** of the possible modes that BMRSB could use as alternatives means to help grow its business and thus reduce the pressures on its existing internal resources. You are to include **THREE (3)** advantages and **THREE (3)** disadvantages of each of the modes of growth that you proposed.

[20 marks]

-END OF PAPER-