



UNIVERSITI  
TEKNOLOGI  
PETRONAS

## FINAL EXAMINATION SEPTEMBER 2016 SEMESTER

**COURSE** : **GCB3093/GDB3013 – SMALL BUSINESS AND  
ENTREPRENEURSHIP**  
**DATE** : **21<sup>ST</sup> DECEMBER 2016 (WEDNESDAY)**  
**TIME** : **2.30 PM – 5.30 PM (3 hours)**

### INSTRUCTIONS TO CANDIDATES

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

- Note** :
- i. There are **FOUR (4)** pages in this Question Booklet including the cover page.
  - ii. Graph paper will be provided.

1. a. Observing trends, solving a problem and finding gaps in the market place are approaches that entrepreneurs use to identify an opportunity. Differentiate the **THREE (3)** approaches and provide an example for each.

[9 marks]

- b. Provide **TWO (2)** ways how would prior industry experience that an entrepreneur has an advantage in recognizing business opportunities.

[6 marks]

- c. Identify **THREE (3)** characteristics of a corporate entrepreneur of a large company and a self-employed entrepreneur who owned a convenience retail shop.

[9 marks]

2. Ali lives in a town of approximately 20,000 people in Johor. There is no furniture store in the town and Ali is thinking about starting one. He has good business and marketing skills and is confident he can run the store but he is not sure whether the furniture store industry is a good industry to enter.

- a. Describe **TWO (2)** attributes of an attractive industry for a new venture of furniture.

[6 marks]

- b. Based on the Porter's five competitive forces, do you think the competitive environment of furniture store industry is ideal to enter? Outline **THREE (3)** reasons.

[6 marks]

- c. You are required to help convince Ali to make a decision by outlining **THREE (3)** benefits of establishing a private limited (Sdn. Bhd.) company.

[6 marks]

3. Best Solar Sdn. Bhd. has developed a new type of heating using solar power and has to finance the development stages from its own resources. Market research indicates the possibility of a large volume of demand and in addition to this, a significant amount of additional capital will be needed to finance the production.

Advice Best Aerospace Sdn. Bhd. on the:

- a. **TWO (2)** advantages of equity capital.

[4 marks]

- b. **THREE (3)** types of financing likely to be available and the sources from which they might be obtained.

[6 marks]

- c. **TWO (2)** sources of government funding schemes in the early stage of technology venture.

[6 marks]

4. Shah plans to open a used car dealer (you can name it) to attract lower income people in Ipoh. Analyze the elements of the each **FOUR (4)** main components of the dealer's business model.

[10 marks]

5. Starbucks and Old Town White Coffee have been successfully selling high-priced coffee despite the fact that consumers could easily substitute their coffee for less expensive coffee or for drinks like soda, bottled drinks or fitness drinks.

a. Evaluate **TWO (2)** strategy options that Starbucks and Old Town White Coffee use in competing fragmented markets.

[6 marks]

b. Differentiate **TWO (2)** features between fragmented markets and maturity markets

[8 marks]

c. If you are going to open a coffee restaurant, propose **TWO (2)** competitive options to avoid competing directly with Starbucks and Old Town White coffee in this fragmented market.

[6 marks]

6. Siti is going to introduce a health herbal product named "Siti Herba" for the middle-segment in the Malay family market. Provide recommendations on effective marketing strategy at this introduction stage to penetrate the market for maximum results.

[12 marks]

- END OF PAPER -