



FINAL EXAMINATION NOVEMBER 2023

COURSE TITLE	INTRODUCTION TO ENTREPRENEURSHIP
COURSE CODE	RENT1113
DATE/DAY	17 FEBRUARY 2024 / SATURDAY
TIME/DURATION	01:00 PM - 03:00 PM / 02 Hour(s) 00 Minute(s)

INSTRUCTIONS TO CANDIDATES:

1. Please read the instruction under each section carefully.
2. Candidates are reminded not to bring into examination hall/room any form of written materials or electronic gadget except for stationery that is permitted by the Invigilator.
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(This Question Paper consists of 8 Printed Pages including front page)

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This question paper consists of TWO (2) sections. Answer ALL questions in the answer booklet provided. [50 MARKS]

SECTION A (30 Marks)

There are THIRTY (30) questions in this section. Answer ALL questions in the answer booklet.

1. Dropbox, Facebook, and Uber are examples of _____ firms.
 - A. lifestyle
 - B. salary-substitute
 - C. industry-standard
 - D. entrepreneurial

2. Stacey Wills, who is at heart a craftsman, recently started a firm to manufacture a new innovative food blender. Stacey's desire is to sell her food blender to as many people as possible because she firmly believes in the merits of her product. Stacey's story best illustrates which of the following characteristics, or attributes, of a successful entrepreneur?
 - A. Product/customer focus
 - B. Execution intelligence
 - C. Tenacity despite failure
 - D. A desire to please consumers

3. Apple is an established firm that encourages and emphasizes entrepreneurial behavior throughout its various divisions. Apple practices _____ entrepreneurship.
 - A. tactical
 - B. corporate
 - C. strategic
 - D. business

4. It is more likely that an entrepreneur will get a new business idea through a _____ - tie relationship than the alternatives.
 - A. weak
 - B. moderate
 - C. vertical
 - D. lateral

5. Kelly Pryor, who has launched several successful entrepreneurial firms, seems to have a "sixth sense" that allows him to see opportunities that others miss. Kelly's ability is referred to as _____.
 - A. individual awareness
 - B. cognitive alertness
 - C. entrepreneurial alertness
 - D. individual readiness

6. An increased focus on health and wellness has resulted in a number of new business ideas including healthier foods and beverages, yoga instruction and training centers, and nutrition consulting. An increased focus on health and wellness is an important _____ that is creating opportunities in many areas for entrepreneurial firms.
- A. economic force
 - B. regulatory force
 - C. legal force
 - D. social force
7. Which of the following statements about target markets is incorrect?
- A. There is a distinct difference between a firm's industry and its target market.
 - B. The challenge in identifying an attractive target market is to find a market that's large enough for the proposed business but is yet small enough to avoid attracting larger competitors.
 - C. It's generally easier to find good information about a target market than an industry as a whole.
 - D. A target market is a place within a larger market segment that represents a narrower group of customers with similar needs.
8. A _____ is a single Web page that typically provides direct sales copy, like "click here to buy a Hawaiian vacation."
- A. landing page
 - B. marketing page
 - C. destination page
 - D. call for action page
9. Conner Brandshaw is investigating the feasibility of a new type of electronic game targeting middle school and high school-age boys. Which of the following is an example of "gumshoe research" that Conner could conduct to get a sense of the likely demand for his game?
- A. Download electronic games industry reports from the Internet.
 - B. Administer a buying intentions survey.
 - C. Spend several days in electronic games arcades and stores to observe the types of games that attract the interest of middle school age and high school age boys.
 - D. Look at the Web sites of a number of companies that sell electronic games.
10. Which form of business ownership is a particularly poor choice for an aggressive entrepreneurial firm?
- A. C corporation
 - B. Sole proprietorship
 - C. Subchapter S corporation
 - D. Limited partnership

11. Steven Diaz just took a job with Harley Davidson. As part of his employment agreement, Harley Davidson required Steven to sign an agreement, which states that if he leaves Harley Davidson, he will not work for a firm that competes against Harley Davidson for at least two years. The agreement that Steven signed is called a _____ agreement.
- A. nondisclosure
 - B. nonparticipate
 - C. nonchallenge
 - D. noncompete
12. A situation that involves doing something that is beneficial to oneself or the organization, but may be unethical, is called a(n) _____.
- A. ethical quandary
 - B. ethical predicament
 - C. ethical dilemma
 - D. principled quandary
13. Many investors and others who read business plans look first at the executive summary and then go directly to the _____ section of the business plan to make their preliminary assessment.
- A. management team and company structure
 - B. product (or service) design and development plan
 - C. industry analysis
 - D. marketing plan
14. Sarah Parks is in the very early stages of putting together a business startup, and is thinking about writing a business plan to request funds to conduct a feasibility analysis and write a more complete business plan. What type of business plan should Sarah write at this point?
- A. Full business plan
 - B. Tactical business plan
 - C. Summary business plan
 - D. Operational business plan
15. Which of the following is **NOT** an individual, group or institution that normally reads a company's business plan?
- A. Board of directors
 - B. Potential alliance partners and major customers
 - C. State and local government officials
 - D. Key recruits for jobs with the new firm

16. _____ marketing is a low-budget approach to marketing that relies on ingenuity, cleverness, and surprise rather than traditional techniques.
- A. Rebel
 - B. Bug
 - C. Catching
 - D. Guerrilla
17. Annie Clarke owns a smartphone app development firm. The way Annie prices her products is to determine what consumers are willing to pay, and then she backs off a bit to provide a cushion. The method that Annie used to determine her prices is called _____ pricing.
- A. predatory
 - B. technical
 - C. cost-based
 - D. value-based
18. Katherine Ford is thinking about starting a computer company. After doing some research, she has decided that the computer industry can be divided into the following product categories – handheld computers, laptops, tablet computers, PCs, work stations, minicomputers, mainframes and supercomputers. She is now trying to decide which product category she is the most interested in competing in. The process that Katherine is going through is called market _____.
- A. splitting
 - B. subdividing
 - C. segmentation
 - D. dividing
19. Kyle White owns a sporting goods store that appeals to hunters and fishers. The market that Kyle is trying to appeal to is called his _____ market.
- A. focal
 - B. objective
 - C. target
 - D. critical
20. _____ is a financial transaction whereby a business sells its accounts receivable to a third party at a discount in exchange for cash.
- A. Factoring
 - B. Vendor credit
 - C. Peer-to-peer lending
 - D. Crowdfunding

21. The two major advantages of getting a loan versus investment capital are _____.
- A. the money doesn't have to be paid back and lenders typically take an active interest in their borrowers
 - B. banks are reliable sources of funding for startups and interest payments are tax deductible
 - C. the money doesn't have to be paid back and no ownership in the firm is surrendered
 - D. no ownership in the firm is surrendered and interest payments are tax deductible
22. Katy Anderson's startup, which is in the organic fruit and vegetables industry, was launched on January 1, 2015. However, prior to its formal launch, Katy spent many hours working on her business, particularly during the feasibility analysis stage. The time and effort that entrepreneurs put into their venture, that can't be easily measured from a financial point of view, is referred to as _____ equity.
- A. effort
 - B. intangible
 - C. sweat
 - D. worry
23. A(n) _____ is a special exemption to a zoning ordinance.
- A. variance
 - B. exception
 - C. trade area
 - D. cluster
24. Which of the following characteristics for selecting a city would be of greatest interest to a retail store selling fine China and collectibles?
- A. Public services
 - B. Transportation
 - C. Zoning
 - D. Population characteristics
25. A labor force that has technical training would be most important to a _____.
- A. clothing store
 - B. restaurant
 - C. skiing equipment specialty store
 - D. computer company

26. An American executive went to a Middle Eastern country to sign an oil contract. Before the contract was signed, the American and the Arab official met for tea. Relaxing, the American put her/his feet up on a table. The official became angry and left the room. Later it was found that showing the soles of shoes was a serious insult. This represents which barrier to international trade?
- A. Tactical
 - B. Political
 - C. Strategic
 - D. Cultural
27. John wants to expand into the foreign markets, but he cannot convince his partners. They believe that international markets are the domain of large corporations. John is facing which barrier to international trade?
- A. Financing
 - B. Political
 - C. Cultural
 - D. Attitude
28. _____ is a transaction in which a company selling goods and services in a foreign market agrees to help promote investment and trade in that country.
- A. Countertrading
 - B. Bartering
 - C. Foreign licensing
 - D. Exporting
29. Entrepreneurship has historically had _____.
- A. a major impact on the economy and minor impact on society
 - B. a minor impact on both the economy and society
 - C. a major impact on society and minor impact on the economy
 - D. a major impact on both the economy and society
30. Jessica Smith is thinking about starting a chain of fitness centers for young adults ages 18-30. Which of the following is **NOT** an appropriate criterion for Jessica to test her idea against?
- A. Determine whether the "window of opportunity" is open.
 - B. Determine whether a fitness center for young adults ages 18-30 meets the threshold of being a good idea.
 - C. Determine the extent to which the notion takes advantage of an environmental trend, solves a problem, or fills a gap in the marketplace.
 - D. Determine whether opening a fitness center for young adults ages 18-30 is timely.

SECTION B

(20 Marks)

There are **TWO (2)** questions in this section. Answer **ALL** questions in the answer booklet.

1. a) List and explain **TWO (2)** reasons why most firms need funding. (5 marks)
- b) What is a brand? How does a new firm develop a brand? (5 marks)

2. Identify and explain any **FOUR (4)** criteria a small business owner should consider when selecting the state in which to locate her/his business. (10 marks)

***** END OF QUESTION PAPER *****


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