



FINAL EXAMINATION
MARCH 2024

COURSE TITLE	SMALL BUSINESS MANAGEMENT
COURSE CODE	RENT4243
DATE/DAY	19 JUNE 2024 / WEDNESDAY
TIME/DURATION	09:00 AM - 11:00 AM / 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.
3. Students who are caught breaching the Examination Rules and Regulation will be charged with an academic dishonesty and if found guilty of the offence, the maximum penalty is expulsion from the University.

(This Question Paper consists of 6 Printed Pages including front page)

*****DO NOT OPEN THE QUESTION PAPER UNTIL YOU ARE TOLD TO DO SO*****

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

SECTION A

(20 Marks)

There are TWENTY (20) questions in this section. Answer ALL questions in the answer booklet.

1. The process of investigating the details of a company that is for sale to determine the strengths, weaknesses, opportunities, and threats facing it is known as the _____ process.
 - A. hidden market
 - B. due diligence
 - C. skimming
 - D. business assessment

2. Which of the following is **NOT** a source for the hidden market?
 - A. Networking
 - B. Business brokers
 - C. Industry contacts
 - D. All of the above are sources for the hidden market

3. Chris Jaffe, the owner of a small independent doughnut shop, is worried that a large doughnut franchise will open an outlet near her location and take away business. Taking a proactive approach, Jaffe contacts the franchise, and after a few months of negotiations, becomes a franchisee. Jaffe is an example of which trend in franchising?
 - A. Co-Branding
 - B. Conversion
 - C. Master
 - D. Sub-franchising

4. A significant advantage a franchisee has over an independent business is the participation in the franchisor's _____ largely due to the _____ the franchise offers.
 - A. centralized buying power; buying insight
 - B. centralized buying power; brand protection
 - C. centralized buying power; economies of scale
 - D. economies of scale; territorial protection

5. A type of business that does well when located near competition is:
 - A. one that has a unique product line – dissimilar to that of its competitors
 - B. one that carries products for which customers comparison shop
 - C. one whose location is part of its trademark
 - D. None of the above

6. Factors such as _____ should be sought out in the selection of retail and service business locations.
- A. the lowest possible rent/lease options, transportation network, adequate parking, physical and psychological barriers
 - B. modest customer traffic, transportation network, lack of parking, physical and psychological barriers
 - C. customer traffic, transportation network, adequate parking, physical and psychological barriers
 - D. customer traffic, isolation from other stores, adequate parking, physical and psychological barriers
7. Job training for workers and reduced tax rates, financial grants and loans, are examples of what some _____ offer as business _____ to locate in their jurisdictions.
- A. states; motivators
 - B. cities; incentives
 - C. regions; perks
 - D. counties; attractions
8. (A)n _____ is a private, for-profit organization that purchases equity positions in young businesses that will potentially produce returns of 300 to 500 percent over five to seven years.
- A. commercial bank
 - B. venture capital company
 - C. angel
 - D. SB-1 filing
9. A company pledging its inventory, accounts receivables, or fixtures as collateral for a loan is using:
- A. floor planning
 - B. asset-based financing
 - C. trade credit
 - D. margin loan
10. The recent turbulence in the financial markets has caused banks to _____ their lending standards, making it _____ for small businesses to qualify for loans.
- A. tighten; easier
 - B. tighten; more difficult
 - C. relax; easier
 - D. relax; more difficult

11. The type of job design that involves building motivators into a job by increasing the planning, decision-making, organizing, and controlling functions workers perform is:
- A. job enrichment or vertical job loading
 - B. job enlargement or vertical job loading
 - C. job enrichment or horizontal job loading
 - D. job simplification or lateral job loading
12. Questions like "What are you deeply passionate about?", "What can you be the best in the world at?" and "What drives your economic engine?" are important to define your _____, according to the work of Jim Collins.
- A. hedgehog concept
 - B. core competencies
 - C. critical strategies
 - D. keys to success
13. A leadership style in which a leader takes on the role of a servant first and the role of a leader second is referred to as a _____ leader.
- A. servant
 - B. passive
 - C. managerial
 - D. subservient
14. To attract potential customers, a _____ can serve multiple business purposes, including keeping customers updated on new products, enhancing customer service, and promoting the company.
- A. newspaper advertisement
 - B. brochure
 - C. blog
 - D. radio promotion
15. _____ is the process of communicating a company's unique selling proposition to its target customers in a consistent and integrated manner.
- A. Branding
 - B. Selling
 - C. Entertailing
 - D. Marketing
16. One of the most effective bootstrap marketing tactics is to create an image of _____ for the business.
- A. uniqueness
 - B. similarity
 - C. seriousness
 - D. All of the above

17. Which of the following statements concerning marketing research is **FALSE**?
- A. Market research is the vehicle for gathering the information that serves as the foundation for the company's marketing plan, helps avoid costly marketing mistakes, and can uncover unmet customer needs the business can serve.
 - B. Market research involves systematically collecting, analyzing, and interpreting data pertaining to the small company's market, customers, and competitors.
 - C. Small companies are at a distinct disadvantage compared to larger ones when conducting market research since it is so expensive.
 - D. Small businesses cannot afford to miss their target markets and market research can help them focus their efforts.
18. The fee that banks collect from retailers whenever customers use a credit or a debit card to pay for a purchase is known as the _____ fee.
- A. interchange
 - B. chargeback
 - C. processing
 - D. installment
19. A reliable cost accounting system is necessary for accurate pricing. The traditional method of product costing, where the costs of direct materials, direct labor, and factory overhead are included in a finished product's total cost is called:
- A. absorption costing
 - B. break-even pricing
 - C. direct costing
 - D. absorption pricing
20. An MP3 player is sold at a price close to the break-even point, but the accessories for the product are priced at a premium, offering impressive contribution margins. This is an example of:
- A. byproduct pricing
 - B. bundling
 - C. captive-product pricing
 - D. multiple-unit pricing

SECTION B

(30 Marks)

There are **THREE (3)** questions in this section. Answer **ALL** questions in the answer booklet.

QUESTION 1

(10 Marks)

Describe what is meant by bootstrap marketing. Explain any **FOUR (4)** bootstrap marketing tactics your small business might be able to use successfully.

QUESTION 1

(10 Marks)

Explain **FOUR (4)** pricing strategies for established goods and services and under what conditions a business owner should use them.

QUESTION 1

(10 Marks)

Explain the differences among *job simplification*, *job enlargement*, *job rotation*, and *job enrichment*.

*** END OF QUESTION PAPER ***

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