



UNIVERSITI KUALA LUMPUR
MALAYSIAN INSTITUTE OF INFORMATION TECHNOLOGY

FINAL EXAMINATION
JANUARY 2016 SEMESTER

COURSE CODE : MPU 2222
COURSE NAME : INTRODUCTION TO ENTREPRENEURSHIP
PROGRAMME LEVEL : DIPLOMA
DATE : 22 MAY 2016
TIME : 9.00 am – 11.00 am
DURATION : 2 HOURS

INSTRUCTIONS TO CANDIDATES

1. Please **CAREFULLY** read the instructions given in the question paper.
 2. This question paper is printed on both sides of the paper.
 3. This question paper consists of **THREE (3)** sections. **SECTION A**, **SECTION B** and **SECTION C**.
 4. Answer all questions from **SECTION A**, **SECTION B** and **SECTION C**.
 5. Please write your answers on the answer booklet provided.
 6. Answer all questions in English language **ONLY**.
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THERE ARE 11 PAGES OF QUESTIONS, INCLUDING THIS PAGE.

SECTION A (Total: 30 marks)

TRUE AND FALSE QUESTIONS

INSTRUCTION: Answer ALL questions.

Please use the answer booklet provided.

- 1. There is no universally accepted definition of an entrepreneur
- 2. An entrepreneur demonstrating a high level of commitment towards work agreements will continuously strive to overcome the hurdles that hinder the achievement of goals
- 3. An entrepreneur is an extreme risk taker (golfer)
- 4. A technopreneur is an entrepreneur who involves himself in technology in producing goods and services for his organization
- 5. A successful entrepreneur usually prefers to take high risks
- 6. An entrepreneur organizes, manages and assumes the risks of a business
- 7. The opportunity to reap impressive profits is the primary motivation for most entrepreneurs
- 8. A successful entrepreneur would focus on the future and be sensitive towards any changes
- 9. Money is the symbol of a non-monetary reward to an entrepreneur
- 10. The attitudes that an entrepreneur should possess are law, management, economics, values, business, and culture
- 11. In a brainstorming session, an idea is compared to a problem and something else similar to get new insight
- 12. Radical innovation introduces an existing technology into a new market or changes the way the product or service is delivered
- 13. Duplication is the process of combining separate parts or elements into a whole new formulation
- 14. Inter-departmental rivalry is a part of individual behaviors that hinder innovation
- 15. The less an innovator has the end-user in mind, the greater the chance the concept will be accepted and used
- 16. During the illumination phase, the long sought after solution or answer for an existing problem is finally found

17. Product innovation relates to the development of a new product	
18. Incongruities are an external source of innovation	
19. The rule of try, test and revise is not a principle of innovation	
20. It is important for entrepreneurs to reduce cost and increase quality in order to be creative and innovative	
21. Wants refer to basic human requirements to live and needs refer to the personal desire for something more	
22. Opportunities only come once. Entrepreneurs must act quickly to grab this opportunity. Therefore, they should not calculate the risks that arise because there are always risks in any business	
23. Uncertainty in stock prices due to the foreign exchange rate is an example of financial risk in a business	
24. Businesses with low liquidity level will most probably face difficulties in settling short-term obligations	
25. In preparing business plan, entrepreneurs may source for primary data by referring to specific materials such as newspaper cuttings and previous research from the electronics and print media	
26. Two categories of risks most faced by businesses are controllable and uncontrollable risks	
27. Working capital is not related to the seasonal fluctuations of a business but is needed when a company is expanding its business	
28. Recognizing customer needs and wants is the first process in recognizing, analyzing and choosing a business opportunity	
29. Self-evaluation should be based on experience, knowledge, skills, financial ability, networking ability and interest	
30. New Technological breakthrough can create new markets and opportunities for businesses	

(30 marks)

SECTION B (Total: 30 marks)**MULTIPLE CHOICE QUESTIONS****INSTRUCTION: Answer ALL questions.****Please use the answer booklet provided.**

1. The term 'entrepreneurship' refers to
 - A. The process of creating with value by devoting the necessary time and effort
 - B. The process of creating something new with value by devoting the necessary time and effort
 - C. The process of creating something new with value by devoting the necessary time and effort and assuming the accompanying financial and physical aspects
 - D. The process of creating something new with value by devoting the necessary time

2. An entrepreneur who is involved in technological changes in producing goods and services is called
 - A. Technopreneur
 - B. Cyberpreneur
 - C. Intrapreneur
 - D. Copreneur

3. A person who organizes, manages and assumes the risk of starting a business is called a(n)
 - A. Purchasing agent
 - B. Change agent
 - C. Facilitator
 - D. Entrepreneur

4. The term 'entrepreneurial competencies' refers to
 - A. Key characteristics possessed by a successful entrepreneur in performing entrepreneurial functions effectively
 - B. The process that leads to the setting up of a business entity
 - C. The step-by-step plan to achieve business goals
 - D. An entrepreneur's skills in identifying new and potentially unique ideas to achieve his goals

5. 'Entrepreneurship involves creating something new and of value to entrepreneurs and the consumers for which it is targeted to' what is the basic aspect of entrepreneurship in this statement?
- A. Acceptance of risks
 - B. The creation process
 - C. Devotion of time and effort
 - D. Monetary and non-monetary rewards
6. The following actions are examples of an entrepreneurial competency known as information-seeker **except**
- A. Conducting research on how to produce products or services
 - B. Consulting experts to get relevant information
 - C. Seeking information to clarify customers' needs
 - D. Taking repeated actions to overcome obstacles
7. The Malaysian government has been encouraging and supporting entrepreneurial development through various strategies **except**
- A. The New Economic Policy (1971-90)
 - B. The National Development Policy (1990-2000)
 - C. The Family Planning Policy
 - D. Vision 2020
8. An entrepreneur is one who
- A. is willing to attempt implementing a business concept and then gives up if it does not meet immediate expectations
 - B. understands the process of developing an idea and does not need to understand what it means to bring that idea to a viable business concept
 - C. knows that the concept he is about to develop will result in a profitable business
 - D. creates a new business concept for the purpose of achieving profit and growth by assembling the necessary resources to capitalize on identified opportunities
9. An entrepreneur typically possesses
- A. The ability to access capital easily
 - B. A set of unique skills, usually accompanied by advanced degrees in several area
 - C. A high level of commitment, tolerance for ambiguity, flexibility and tenacity
 - D. Specialized technical abilities

10. The following are entrepreneurial actions that help entrepreneurs to become successful, **except**
- A. Maximizing the benefits obtained from available opportunities
 - B. Taking full responsibility for the completed work
 - C. Minimizing resource utilization
 - D. Determining performance targets on his own
11. Which from the following are the characteristics of successful entrepreneurs?
- I. Efficiency
 - II. Problem Solving
 - III. Self-Confidence
 - IV. Commitment
- A. I, II and III only C. I, II and IV only
B. II, III and IV only D. I, II, III and IV
12. The following are the funding for early stage commercialization through venture capital fund, **except**
- A. KLIBOR Housing Loan by Hong Leong Bank
 - B. TEKUN by Ministry of Agriculture and Agro-Based Industry of Malaysia (MOA)
 - C. Malaysia Technology Development Corporation (Life Science) by Ministry of Science, Technology and Innovation
 - D. PROSPER Siswazah by *Perbadanan Usahawan Nasional Berhad* (PUNB)
13. Which from the following agencies listed under the Malaysian Ministry of International Trade and Industry (MITI)?
- I. Malaysian Industrial Development Authority (MIDA)
 - II. Malaysia Productivity Corporation (MPC)
 - III. SME Corporation Malaysia (SME Corp)
 - IV. Small and Medium Enterprise Bank (SME Bank)
- A. I, II and III only C. II, III and IV only
B. I, II and IV only D. I, II, III and IV

14. What are the disadvantages in setting up of sole proprietorship and partnership?
- The liabilities are unlimited. Thus, business debts fall directly upon the owner(s).
 - Limited liability protects the personal assets of the owners/shareholders.
 - The approach to staff and customers is impersonal.
 - The set up does not require any lengthy formalities.
15. What are the factors determine the size of a business?
- The firms, annual sales turnover
 - The number of employees
 - Local equity of share of 49%
 - Liabilities of the business
- I, II and III only
 - I, II and IV only
 - II, III and IV only
 - I, II, III and IV
16. Which are the following describe the debt financing?
- The entrepreneurs have to invest their own capital first before inviting outside investors and lenders to invest theirs.
 - The source of debt financing includes bank loans, federal government loans, finance companies, state and local government programmes.
 - Going public is when a company raises capital by selling shares of its stock to the public for the first time by initial public offering (IPO).
 - Family and friendship financing deals.
17. What are from the following **not** a common process used to evaluate a business idea?
- Target market
 - Market size
 - Foreign currency
 - Competitive analysis
18. _____ is the creative process that occurs when an entrepreneur is carrying out activities which are not related to the problem
- Information gathering
 - Incubation
 - Illumination
 - Mind usage

19. Brainstorming involves
- A. Members of a group suggesting ideas to a particular problem
 - B. Accepting all ideas thrown
 - C. The prohibition of criticism or evaluation of a particular idea at the idea generation stage
 - D. All of the above
20. The following are the characteristics of a creative individual **except**
- A. Humble and proud
 - B. Passionate
 - C. Brave
 - D. Narrow-minded
21. The following are the internal sources of innovation, **except**
- A. Unexpected events
 - B. New knowledge concept
 - C. Demographic changes
 - D. New markets
22. Factors pertaining to self-evaluation in identifying evaluating, and choosing a business opportunity are as follows, **except**
- A. Experience
 - B. Networking
 - C. Financial position
 - D. Mental and physical fitness
23. Factors that are associated with self-evaluation in identifying evaluating, and choosing a business opportunity are as follows, **except**
- A. Community perception
 - B. Financial position
 - C. Experience
 - D. Knowledge

24. Which of the following are factors of self-evaluation in identifying, evaluating, and choosing a business opportunity?
- A. Capital
 - B. Knowledge
 - C. Interest
 - D. All the above
25. In general, what are the risks faced by entrepreneurs?
- I. Barriers in entering a particular business
 - II. The relative size of capital that is to be invested
 - III. The bureaucratic process in attaining approval to operate a business
 - IV. The relative profit margin that can be generated from the proposed business
- A. II, III and IV only
 - B. I, II and IV only
 - C. I and III only
 - D. I, II, III and IV
26. Which of the following is not categorized as financial risk?
- A. Economic recession
 - B. Liquidity level
 - C. Loan
 - D. Foreign exchange
27. Which of the following statement is false regarding the process of identifying, evaluating and choosing a business idea?
- A. The business environment has to be analysed
 - B. Business ideas should confirm to the existing rules and regulations
 - C. Business risks have to be taken consideration in screening a business idea
 - D. Business idea should not be free from any element of monopoly
28. Two categories of risks most commonly faced by businesses are
- A. Countable and uncountable risks
 - B. Controllable and uncontrollable risk
 - C. Limited and unlimited risk
 - D. None of the above

29. Which of the following represents capital?
- A. Inventory
 - B. Equipment and machinery
 - C. Cash
 - D. All of the above
30. _____ capital is used to purchase a company's permanent assets such as land, buildings, and equipment.
- A. Working
 - B. Fixed
 - C. Growth
 - D. Stable

(30 marks)

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SECTION C (Total: 40 marks)

INSTRUCTION: Answer ALL questions.
Please use the answer booklet provided.

Question 1

- (a) Explain the **SIX (6)** components of micro environment. (12 marks)
- (b) Explain the following characteristics of successful entrepreneurs?
- i. Passion for the business
 - ii. Product and customer focused
 - iii. Tenacity despite failure
 - iv. Execution Intelligence

(8 marks)

Question 2

- (a) Describe the **FOUR (4)** phases in the creative process. (8 marks)
- (b) Explain the **FOUR (4)** components of the marketing mix. (12 marks)

END OF EXAMINATION PAPER