



UNIVERSITI KUALA LUMPUR BUSINESS SCHOOL

FINAL EXAMINATION
JANUARY 2016 SEMESTER

SUBJECT CODE : ECB 10103
SUBJECT TITLE : ENTREPRENEURSHIP
LEVEL : BACHELOR
TIME / DURATION : 2.00 PM - 5.00 PM / 3 HOURS
DATE : 26th MAY 2016

INSTRUCTIONS TO CANDIDATES

1. Please read the instructions given in the question paper CAREFULLY
2. This question paper is printed on both sides of the paper
3. This question paper consists of TWO (2) sections; Section A and Section B
4. Answer ALL questions
5. Please write your answers on the answer booklet provided
6. All questions must be answered in English (any other language is not allowed)
7. This question paper must not be removed from the examination hall

THERE ARE FIVE (5) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

SECTION A (Total: 40 marks)**INSTRUCTION: Answer ALL questions****Please use the answer booklet provided****Case/Application : Selman & Saks Inc.**

Selman & Saks, as a maker of men's and women's razors and electric hair trimmers, had little reason to become involved in the global arena. But after acquiring Wellman Enterprice division engages in a licensing agreement with a German firm to produce women's hosiery, managers at Selman & Saks wondered just whether a company-wide global focus would be more profitable after all. The company had been operating for almost 20 years and empowered by highly skilled workers and professionals in innovating new products using latest technology for its demanding market. The company receiving positive feedback from its customers and resellers.

Despite the new technology, Selman & Saks facing pressure from its competitors and imitation products which are made from China and Taiwan. Their prices are competitive and with variety of design and attractive offering. Thus, the product life cycle getting shorter which require immediate new innovation. The electric hair trimmers being sold at RM150 per unit (USD36.00).

Managers at Selman & Saks studied Wellman's licensing agreement in great detail. Still, after seeing first-hand the benefits Wellman found the licensing agreement, it was decided that Selman & Saks would target the French market merely via exporting. However, Selman & Saks decide to enter Malaysian and Indonesian market via licensing or strategic alliance in 3rd quarter 2016.

With the assistance of a domestic export department, the Selman & Saks razors and hair trimmers entered France. For Six months, sales were mediocre. But after that, sales suffered. As a result, the company had to take drastic action by restructuring its organization by downsizing. Opinions varied among numerous managers as to the cause of the failure. "Who knows better the local market than people who live there?" was a comment heard throught Selman & Saks. "Maybe we needed an alliance with a French firm or a licensing agreement before racing to get there."

Questions :

1) Looking at the nature of Selman & Saks's business and his product offering, develop suitable Vision and Mission statement for his company.

(4 Marks)

2) From the given case, identify **TWO (2)** main concerns faced by Selman & Saks in meeting the business objectives.

(2 Marks)

3) In assisting Selman & Saks to conduct Internal Audit, complete the following TOWS matrix analysis using the following format.

a. Identify **TWO (2)** elements each of Strengths, Weaknesses, Opportunities and Threats

(8 Marks)

b. Formulate **TWO (2)** future strategies for each quadrant namely SO strategies, ST strategies, WO strategies and WT strategies.

(8 Marks)

TOWS MATRIX	<u>Strengths</u> 1. 2.	<u>Weaknesses</u> 1. 2.
	<u>Opportunities</u> 1. 2.	<u>WO Strategies</u> 1. 2.
<u>Threats</u> 1. 2.	<u>ST Strategies</u> 1. 2.	<u>WT Strategies</u> 1. 2.

- 4) As a business consultant, using the template below assist Selman & Saks in establishing **EIGHT (8)** short term business objectives for financial year 2017 for Malaysian market from four main components. The business objectives **MUST** meet the **SMART** criteria.

Financial	1. 2.
Customer	3. 4.
Internal Business Process	5. 6.
Learning & Growth	7. 8.

(8 Marks)

- 5) As a consultant to the business, formulate **FOUR (4)** **suitable** Marketing Communication (MarComm) activities and provide justifications on revenue impact and effectiveness for each of activity after taking into consideration of the financial constraint, market saiz and other business limitations. The propose MarComm activities is only applicable for Malaysian market. You may use the following format.

No.	Proposed MarComm Activity	Budget Required for the event (RM)	Justifications on forecast revenue impact and effectiveness of the MarComm activities
1.			
2.			
3.			
4.			

(1 x 4 pts=4 marks)

(0.5m x 4 pts=2 marks)

(1m x 4 pts=4 marks)

(10 Marks)

SECTION B (Total: 60 marks)

INSTRUCTION: Answer ALL questions

Please use the answer booklet provided

Question 1

- a. What is meant by the statement, "A firm's business model takes it beyond its own boundaries"? Provide an example to illustrate your answer.

(4 Marks)

- b. Describe and explain the **TWO (2)** potential fatal flaws of business models. Provide example or scenario for each fatal flaw.

(6 Marks)

Question 2

- a. Commonly, though, entrepreneurs discover that operating without investment capital or borrowed money is more difficult than they anticipated. Because of this, it is important for entrepreneurs to understand the role of investment capital in the survival and success of a new firm.

Provide a brief explanation **THREE (3)** reasons why funding required by most of the business ventures.

(10 Marks)

- b. What is the difference between equity funding and debt financing? What are the most common sources of equity funding and debt financing?

(5 Marks)

Question 3

- a. The increase in the popularity of strategic alliances has been driven largely by a growing awareness that firms can't "go it alone" and succeed.

Strategically, outline and explain **FIVE (5)** reasons why Strategic Alliances were the preferred mode of business growth.

(20 Marks)

- b. Explain the difference between internal and external growth strategies. Provide examples of each.

(5 Marks)

Question 4

Product line extensions strategy are a process where companies with an established brand alter the factors of a product or products to satisfy a refined segment in the market.

Outline and explain **FOUR (4)** advantages of this strategy.

(10 Marks)

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