



**UNIVERSITI KUALA LUMPUR
Malaysia France Institute**

**FINAL EXAMINATION
JANUARY 2014 SESSION**

SUBJECT CODE	:	FVB 31104
SUBJECT TITLE	:	AUTOMOTIVE ENTREPRENEURSHIP AND ENTERPRISE DEVELOPMENT
LEVEL	:	BACHELOR
TIME / DURATION	:	9.00 am - 11.00 am (2 HOURS)
DATE	:	26 MAY 2014

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. Please write your answers on the answer booklet provided.**
- 4. Answer should be written in blue or black ink except for sketching, graphic and illustration.**
- 5. Answer only FOUR (4) questions.**
- 6. Answer all questions in English.**

THERE ARE 4 PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

INSTRUCTION: Answer only FOUR (4) questions.

Please use the answer sheet provided.

Question 1

a) **Car Saloon** is a private limited company venturing in auto detailing centre in Bandar Baru Bangi, Selangor. They plan to open a new centre in Mont Kiara. Their target market is the owners of luxury cars. The information on their new target market as follows:

- The population of Mont Kiara is estimated to 300,000. The population of Mont Kiara is mostly from the high living standard family. It is estimated that 30% of the population owned a luxury car.
- In average, every car owner spends about RM2000.00 per year to beautify their car.

i. Calculate the market size per year for car detailing in Mont Kiara.

(5 marks)

ii. If **Car Saloon** is confident to capture 3% market share from the total market size, calculate the market share in RM.

(5 marks)

b) Explain the **THREE (3)** stages of preparing a sales forecast.

(10 marks)

Question 2

The table below shows the individual demand and supply schedules for new brand t-shirts in a market in February 2014.

Quantity Demanded (unit)			
Price (RM/unit)	Jason	Aaron	Rudy
10	400	400	600
20	350	350	500
30	300	300	400
40	250	250	300
50	200	200	200
60	150	150	100

Quantity Supplied (unit)			
Price (RM/unit)	Producer A	Producer B	Producer C
10	200	200	200
20	250	300	250
30	300	400	300
40	350	500	350
50	400	600	400
60	450	700	450

- a) Using a graph paper, plot the market demand and supply curves for the new brand t-shirts. (6 marks)
- b) State the market equilibrium price and quantity. (2 marks)
- c) If the price is RM40, will there be a shortage or surplus? Calculate the shortage or surplus. (2 marks)
- d) Briefly explain any **TWO (2)** determinants that would increase the supply of new brand t-shirts. (6 marks)
- e) If market supply increases by 400 units at every price level, plot the new demand curve in diagram (a) above and determine the new equilibrium price and quantity. (4 marks)

Question 3

Based on this article, answer the following questions.

No Chicken Price Hike During Ramadan - Hasan Malek

BATU PAHAT, April 13 (Bernama) -- The price of chicken will be maintained during Ramadan based on adequate production supply to meet demand during the festive month.

Domestic Trade, Cooperatives and Consumerism Minister, Datuk Seri Hasan Malek said the ministry and poultry suppliers and breeders were now negotiating a reasonable ceiling price.

"Based on our discussion with producers, there is an adequate supply of chicken; in fact supply is more than demand. So there should be no question of a chicken price hike.

"In the past, the Price Control Scheme was enforced two weeks before and two weeks after Hari Raya. Now for the whole month of Ramadan, the price of chicken will be maintained," he told reporters after visiting PPNJ Poultry & Meat Sdn Bhd, a chicken processing factory near here today.

He said the ministry was now studying the Price Control Scheme and its findings would be announced soon.

Touching on the price of domestic chicken, he said statistics from 2006 to 2012 showed production was higher than consumption.

In 2006, local consumption was 390 million chickens which rose by 52 per cent to 594 million chickens in 2012.

However, the production of broilers in 2006 was 427 million chicks which rose by 49 per cent to 637 million chicks in 2012, he said.

"So based on economic theory, the price of chicken should not have risen. But the price of chicken did rise and defied the theory. This shows there is a market disruption," said Hasan.

- a) Explain the type of price control policy used by the government to control the chicken price. (5 marks)
- b) Draw a diagram to explain the price control policy in (a). (10 marks)
- c) Briefly discuss **TWO (2)** disadvantages of the policy. (5 marks)

Question 4

Personal selling involves direct communication between buyers and sellers. The important person representing the organization in generating the sales will be the sales person, popularly known as the sales force or salesman.

- a) Explain **THREE (3)** advantages of personal selling (6 marks)
- b) Briefly explain the **SEVEN (7)** steps of sales process. (14 marks)

Question 5

The marketing research process is a scientific approach to decision making that maximizes the chance of getting accurate and meaningful results. Explain the **FOUR (4)** steps in marketing research process.

(20 marks)

END OF QUESTION