



UNIVERSITI KUALA LUMPUR
KAMPUS CAWANGAN MALAYSIAN SPANISH INSTITUTE

FINAL EXAMINATION
OCTOBER 2025 SEMESTER

COURSE CODE : SIB23603 (V2)
COURSE TITLE : FRANCHISE BUSINESS MANAGEMENT
PROGRAMME NAME : BACHELOR OF BUSINESS TECHNOLOGY (HONOURS) IN
AUTOMOTIVE MANAGEMENT
DATE : 29 JANUARY 2026
TIME : 9:00AM - 12:00PM
DURATION : 3 HOURS

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 consist of TWO sections.
4. Answer ALL questions for Section A.
5. Section B consist of four questions. Answer THREE (3) questions only.
6. Please write your answer on the answer booklet provided.
7. Please answer all questions in English only.
8. Please answer MCQ/EMQ questions using OMR sheet. *Tick if applicable*
9. Refer to the attached Formula/ Appendies. *Tick if applicable*

THERE ARE 4 PAGES OF QUESTIONS INCLUDING THIS PAGE

SECTION A (Total: 40 marks)

Answer ALL questions.

Please use the answer booklet provided.

Question 1

Franchising is a business model wherein an individual operates in their own location of a larger and more established company. It can be a strategic move for aspiring business owners for several compelling reasons.

- (a) Identify FIVE key advantages that make franchising an attractive investment for entrepreneurs.

(10 marks)

- (b) Describe the steps entrepreneurs can take to establish a franchise system.

(10 marks)

Question 2

Franchise systems come in various forms, each suited to different types of businesses and objectives.

- (a) State FIVE types of franchise systems.

(5 marks)

- (b) Distinguish between a franchisor and a franchisee.

(5 marks)

- (c) Understanding the distinct roles and responsibilities of franchisors and franchisees is crucial for a successful franchising relationship. What are the primary responsibilities of a franchisor?

(10 marks)

SECTION B (Total: 60 marks)

Answer THREE (3) questions only.

Please use the answer booklet provided.

Question 1

When considering the costs involved in buying a franchise, it is important to understand the various types of expenses you will incur.

Discuss the costs involved in purchasing and operating a franchise business.

(20 marks)

Question 2

Investing in a franchise offers opportunities for business ownership and growth, but it also entails various risks that franchisees must carefully evaluate and mitigate. These risks capture the impact of external and internal risk factors on the perceived long-term value of the franchise business.

Analyze some of the key risks associated with franchising.

(20 marks)

Question 3

Franchising, while offering opportunities for business expansion and brand recognition, can also present challenges that franchisees may encounter. These issues can range from operational difficulties to disputes with the franchisor. Franchise bodies and associations serve as valuable resources for franchisees facing challenges within the franchising model.

Point out the common support available from franchise bodies or associations in Malaysia.

(20 marks)

Question 4

Leaving a franchise involves several considerations and steps to ensure a smooth transition and to protect both the franchisee and the franchisor's interests. By taking proactive steps, seeking professional advice, and maintaining open dialogue with the franchisor, franchisees can navigate the exit process effectively and protect their interests during this transition period.

Outline the reasons a franchisee might want to leave a franchise and steps should a franchisee take before leaving a franchise.

(20 marks)

END OF EXAMINATION PAPER

