

TECHNOPRENUERSHIP / ENTREPRENEURSHIP

Time : 3 hours

NOV 2024

Candidates may attempt ALL questions in Section A and at most TWO questions in Section B. Each question should start on a fresh page.

SECTION A (40 marks)

Candidates may attempt ALL questions being careful to number them A1 to A5.

John's Journey to Success John always had a passion for technology. After graduating from university, he noticed a gap in the market for affordable tech repair services in his community. With a small loan of \$5,000 from his family and \$10,000 from a bank, he started "TechFix," a mobile tech repair service. John worked tirelessly, often putting in 12-hour days. Within six months, his business grew, and he hired two employees. By the end of the first year, TechFix had repaired over 1,200 devices and generated \$75,000 in revenue. John attributes his success to his innovative approach, customer focus, and relentless work ethic.

- A1.** (a) Define the term "entrepreneur" and explain how John fits this definition. [2]
 (b) Discuss two characteristics that contributed to John's success as an entrepreneur. [4]
 (c) Differentiate between a manager and an entrepreneur using examples from John's story. [4]
- A2.** (a) If interest was 1.5% per annum, how much did John pay in interest to his bank after one year? [3]
 (b) Calculate the average number of devices repaired per month in the first year. [2]
 (c) Calculate the profit margin for TechFix in its first year. [3]
- A3.** (a) What are the sources John can use to fund his business? [3]
 (b) Explain the importance of innovation in John's business model. [4]
- A4.** (a) Determine the break-even point for TechFix if the average repair cost is \$50. [3]
 (b) Explain the significance of these figures in investment decision-making. [4]

- A5.** (a) Interpret the NPV result and explain whether the company should proceed with the investment. [4]
 (b) Discuss other factors that might influence the investment decision. [4]

SECTION B (60 marks)

Candidates may attempt TWO questions being careful to number them B6 to B8.

- B6.** (a) (i) Describe the key steps involved in product planning and development. [5]
 (ii) Explain the importance of market research in product development. [5]
 (b) (i) Compare and contrast different forms of business formation (e.g., sole proprietorship, partnership, corporation). [6]
 (ii) Discuss the advantages and disadvantages of each form. [4]
 (c) (i) Outline the essential components of a business plan. [5]
 (ii) Explain how a business plan can help in securing funding. [5]
- B7.** (a) (i) Define the marketing concept and its core principles. [5]
 (ii) Discuss how the marketing concept can influence business strategy. [5]
 (b) (i) Explain the role of market research in the pre-start-up phase of a business. [5]
 (ii) Describe different methods of conducting market research. [5]
 (c) (i) Provide an example of how market research can identify customer needs. [5]
 (ii) Discuss how market research can help in product positioning. [5]
- B8.** (a) (i) Describe the stages of business growth according to the four-stage growth model. [5]
 (ii) Provide examples of businesses at each stage. [5]
 (b) (i) Identify common barriers to business growth. [5]
 (ii) Discuss strategies to overcome these barriers. [5]
 (c) (i) Explain different strategies for new venture expansion (e.g., franchising, mergers). [5]
 (ii) Discuss the risks and benefits associated with each strategy. [5]
- B9.** (a) (i) State the initial investment required and the expected annual cash inflows. [5]
 (ii) Explain the significance of these figures in investment decision-making. [5]
 (b) Calculate the Net Present Value (NPV) of the investment if the discount rate is 10%. Show all steps and formulas used. [10]
 (c) (i) Interpret the NPV result and explain whether the company should proceed with the investment. [5]
 (ii) Discuss other factors that might influence the investment decision. [5]

END OF QUESTION PAPER