

NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS MANAGEMENT

CBU 4109: ENTREPRENEURSHIP

SUPPLEMENTARY EXAMINATION - OCTOBER 2009

TIME ALLOWED: 3 HOURS 30 MINUTES

INSTRUCTIONS TO CANDIDATES

- (i) Answer **ALL** questions in **Section A** and any **Three (3)** questions from **Section B**.
- (ii) All questions in **SECTION B** carry **20** marks each
- (iii) Questions may be answered in any order
- (iv) As much as possible, use relevant examples

SECTION A: COMPULSORY

Southern Yankee Bar-B-Q

In 1999 Billy Penny found himself in an all-too-common predicament-he was laid off from his engineering job in Marion, Indiana, and was looking for a way to provide for his family. But instead of searching for work in a difficult job market he decided to make his way as an entrepreneur. "I told my wife, I'm tired of someone telling me how much money I'm going to make, what my hours are going to be-I just want to do something different," says Penny, 42.

So he and his wife, Kathy, decided to sell their car and sink all their resources into starting a business-a roadside barbecue stand. Unlike Texas ,where they once lived, barbecue restaurants weren't very common in their Indiana community, so it seemed like the perfect niche opportunity.

Penny designed a barbecue concession trailer that resembled a log cabin. With the slogan "Eat here or we'll both starve," they launched their business in 2000. Penny contacted the local newspaper to tell his story and drum up interest-and the strategy worked. "People just flocked to us," he recalls. "We had 57 people in line for our grand opening"

The response was so overwhelming. The Pennys decided to keep their business growing through the winter months, even though it would be too cool to sell from an outdoor cart. Using the \$105,000 they had earned in the first six months of business, they opened a brick-and-mortar location which they named Southern Yankee Bar-B-Q.

Still they were not content to end there. Penny used his entrepreneurial sensibilities and engineer's vision to design a mobile barbecue concession trailer that could be used year-round. When customers started asking how they could get their own barbecue stand he decided to patent the design. With the money they had with the restaurant and concession trailer, the Pennys were able to open a factory to manufacture the barbecue stands for other entrepreneurs.

Today for less than \$30000 business owners can get their own stand-alone carts and sell barbecue items anywhere-from New York City to as far as the Middle East. In late 2002, the Pennys sold the restaurant side of their business to focus solely on the manufacturing side. And with Southern Yankee Bar-B-Q now estimating \$1million a year, it seems starving is no longer on the menu.

Case Study Adapted from article by Nichole L Torres, that appeared in Entrepreneur.com on 31 May 2004

QUESTIONS 1

- a) Entrepreneurs are risk-takers. What, in this case shows that indeed Bill Penny was an entrepreneur? **[10 Marks]**
- b) Trace the stages of the Billy Penny's business from start in 1999 through to 2002 indicating the skills Penny showed as an entrepreneur. **[10 Marks]**
- c) Comment on the various measures that Billy Penny adopted which showed an understanding of brand management. **[10 Marks]**
- d) Southern Yankee-Bar-B-Q is a much bigger organization than the "two-man" operation it was in 1999. What key departments would you expect to find in the company in 2002? **[10 Marks]**
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SECTION B

QUESTION 2

Discuss the major characteristics / traits of a successful entrepreneur. **[20 Marks]**

QUESTION 3

Discuss the key features of each of the **three** common financial statements that you find in a business plan. **[20 Marks]**

QUESTION 4

Discuss the **five** stages of the Entrepreneurial Design Process namely Vision, Strategic Plan, Business Plan, Implementation and Evaluation. **[20 Marks]**

QUESTION 5

What are the advantages of operating a business:

a) from your own home **[10 Marks]**

b) at another place **[10 Marks]**

QUESTION 6

What challenges would you face in setting up a business of your choice in Zimbabwe? **[20 Marks]**

QUESTION 7

“This is a vast unstudied area in business and economics, as well as in psychology, sociology and history.” (Gladstone1988:xi). Discuss this statement with reference to entrepreneurship. **[20 Marks]**

END OF EXAMINATION

