

**NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**FACULTY OF COMMERCE**

**DEPARTMENT OF BUSINESS MANAGEMENT**

**ENTREPRENEURSHIP- CBU 4109**

**SUPPLEMENTARY EXAMINATION – AUGUST 2013**

**TIME ALLOWED 3 HOURS 15MINUTES**

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**INSTRUCTIONS TO CANDIDATES**

Answer question **One** and any other **Three** questions from Section B.

**INFORMATION TO CANDIDATES**

- i) Section A carries **40** marks.
- ii) All questions in Section B carry **20** marks each.
- iii) Questions may be answered in any order.
- iv) Credit will be given for the use of appropriate examples.
- v) This paper contains **Seven** Questions.

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**SECTION A**

**QUESTION 1**

**UNEMPLOYED FRIENDS HAVE CREATED JOBS FOR ELEVEN OTHERS**

Six years ago two Alexandra friends had no jobs, no money and no prospects. Today, Chris Moseneke, 39, and Mphane Tlhoale, 31, have created jobs for themselves and eleven others and own a thriving little empire with interests in cars, art, cell phones and even ice cream.

It all started with a car- wash venture that became very successful. It is patronized by celebrities, including Kaizer Chiefs and Bafana Bafana goalkeeper Brian Baloyi and radio personality Bob Mabena.

Moseneke and Tlhoale opened Eksklusive Boyz Kar Wash in 1997 because they saw no other way to escape unemployment.

Today the Boyz' names are linked with a top Joburg law firm, which is running an art competition in the township. They run an ice cream distribution business; they have

ventured into the lucrative business of selling cellphone airtime; and they have plans up their sleeves.

From their informal shop on a busy thoroughfare, the Boyz charge R25 for a complete car wash. On busy days they can make up to R500.

Moseneke says people are attracted to the business because the two partners 'always listen to the customer, make them feel at home, use effective cleaning methods- and 12th Avenue is the safest corner in Alex'. Baloyi says, 'I prefer their car wash because I like their company. Also, it's safe because they respect the customer's property. For instance, if you forget things like money in the car, they will always keep it safe for you.' Unlike many successful entrepreneurs, the Boyz were not tempted to blow their takings. Instead they have ploughed their profits into growing the business. They've equipped their office with a phone, computer, fax and photocopy machine - which locals use for a small fee. Their premises also double as an exhibition space for Alex artists. The aim is to develop local talent and attract customers.

The Boyz now plan to turn their business into a tourist attraction by opening an Internet café, art gallery and coffee bar. 'We also want to empower other youth in other townships by starting a car-wash franchise countrywide,' says Moseneke. 'We can't rely on the government for everything,' adds Tlhoale. 'We want to uplift our community to show that it is untrue that Alex only produces hooligans.' The duo realized that to uplift their community, they would have to woo investors into Alex. The first company to come on board was a law firm, Webber Wentzel Bowens. Inspired by their enthusiasm, the firm partnered with the two to sponsor a young artists' competition, the winners of which were announced this week. The Boyz' second encounter with the corporate world was with Etienne Marais, the owner of a distribution company, who helped them to secure from Nestle' the rights to distribute ice cream to shops and supermarkets in Alex. 'Starting a business from scratch is difficult, but what I liked about these men was their motivation, courage and potential,' says Marais. 'Now distributing coffee and chocolate is also in the pipeline for them.' The duo have also linked up with Mike Hoof of PlumMobile to set up kiosks selling prepaid airtime in the township, a venture that has created six jobs. Five other people work in the Boyz' other businesses.

**This Case Study was adapted from an article by Chris Nthite, Business Times, 23 November 2003.**

**Required:-**

- (a) 'Entrepreneurs play a strategic role in the economy of any country.' Use evidence from this case study to show the truth of this statement. **(10 marks)**
- (b) From your knowledge of the term 'competitive advantage', identify Moseneke and Tlhoale's sources of competitive advantage. **(10 marks)**
- (c) Using evidence from the case, discuss the view that Moseneke and Tlhoanele are a true reflection of entrepreneurs from 'humble beginnings to success.'  
**(10 marks)**
- (d) Assess whether lessons on the upliftment of the Alexandra community referred to in the case can be applied to communities in Zimbabwe. **(10 marks)**

**SECTION B**

**QUESTION 2**

- (a) What are the characteristics of a good business opportunity? **[10 marks]**
- (b) Discuss how our daily lives can be a source of ideas for new products and services.

**[10 marks]**

**QUESTION 3**

'A comprehensive feasibility study can be conducted in the following areas: technical feasibility, market feasibility, feasibility in terms of financial, human and knowledge resources.' Explain why an entrepreneur would need to conduct each of these feasibility studies for a proposed business. **[20 marks]**

**QUESTION 4**

- (a) Explain the concept of Intrapreneurship. **[5 marks]**

- (b) Discuss the aspects of leadership and management that are necessary in promoting intrapreneurship in established enterprises.

**[15 marks]**

**QUESTION 5**

Would you recommend franchising as an entry strategy for small businesses in Zimbabwe? Motivate your answer.

**[20 marks]**

**QUESTION 6**

- (a) 'E-Commerce has presented many advantages for both consumers and entrepreneurs'. Show whether you agree or disagree with this assertion.

**[10 marks]**

- (b) What are some of the macro economic challenges faced by Zimbabwean Intreneurs in growing up their businesses?

**[10 marks]**

**QUESTION 7**

Discuss the term 'business ethics.' Explain the importance of ethics for the small business and show the role of an entrepreneur in promoting ethical behavior.

**[20 marks]**

**END OF EXAMINATION**