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## UNIVERSITY OF RUHUNA

### FACULTY OF MANAGEMENT AND FINANCE

**Bachelor of Business Administration Degree Programme 1000 Level 2nd Semester  
End Examination (March 2022)**

**Academic Year 2020/2021**

**BBA 12013 – ENTREPRENEURSHIP**

**Duration: Three hours**

**The question paper contains 05 questions.**

**Answer only four (04) questions including question number one (01).**

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#### **Question No. 01**

Read the story of Mr. Shehan and Waruna and answer the questions given below.

#### **“Story of Shehan and Waruna”**

Shehan and Waruna are best friends from their childhood and are fresh graduates who have also completed their first degrees from University of Colombo with a Bachelor of Arts degree in Humanities and Social Sciences. Both of them are health-conscious and used to go to the same gym for their daily workouts. One day after a long discussion of their future, they got the idea that not only exercises but also food plays a major role in a healthy life style. After having several discussions, they wanted to start a new venture to sell healthy meals as it is a business opportunity that would serve many individuals through the promotion of good dietary habits along with a good income for the individual who run the business.

Their initial investigation revealed that especially in urban areas people are looking for healthy meals and are even ready to pay a higher amount for these. Even parents are looking for healthy meals rather than fast food for their children. Shehan and Waruna have now started researching together and are in the process of making a business plan in the context of healthy food. However, in the process of making preparations for this prospective, they realized that they do not have a proper knowledge about how to do a business startup successfully, so they participated in workshops, events including exhibitions and sessions and learnt things that are of importance to them. Further, this exposure also provided them with the opportunity to get connected with people

of similar interests and form better networks that would be useful to them in their business venture ahead.

Along with these preparations, they also communicated this idea to their parents, and it was proposed that a food center with a beauty salon and fitness center along with a facility for stress management could be a right combination. However, it was estimated that the project would involve a capital outlay of nothing less than Rs. 1,000,000. Fortunately, Shehan has almost been offered a place by his parents at Katubedda near to the University of Moratuwa, on lease, and the savings of the two young entrepreneurs are a maximum of Rs. 300,000. But the balance would have to be raised from other sources and for that they decided to raise some initial money from their friends and family.

Their investigations both at formal and informal level revealed that they have to face lot of challenges specially, from the competitive business ventures as initiating business ventures catering to the healthy food demands of people is becoming a trend in the business startups. Thus, making their business with a novelty with a sense of uniqueness is a challenge and a pathway that triggers the innovative mindset that is of immense importance to entrepreneurs.

- I. What factors motivate Shehan and Waruna to start-up a business on providing healthy foods?  
(03 Marks)
  - II. Identify the main sources of finance that they intend to use for their start-up and suggest the factors they have to consider when seeking funds?  
(05 Marks)
  - III. Explain the possible barriers that could be encountered by Shehan and Waruna in starting –up their business and suggest few strategies they could use in facing these barriers successfully.  
(07 Marks)
  - IV. Discuss the importance of starting a business start-up rather than waiting for a job as a fresh graduate?  
(10 Marks)
- (Total 25 Marks)

**Question No. 02**

- I. How do you define “Entrepreneurial Opportunity”?  
(04 Marks)
  - II. Explain the concepts of “Window of opportunity” and the “Corridor of opportunity”.  
(05 Marks)
  - III. Briefly explain two ways of recognizing entrepreneurial opportunities with suitable examples.  
(06 Marks)
- (Total 15 Marks)

**Question No. 03**

- I. What are the key components of individual creativity?  
(03 Marks)
  - II. “Creativity and Innovation are prerequisite for Entrepreneurship”. Explain.  
(05 Marks)
  - III. Discuss the social factors which hinder Entrepreneurship.  
(07 Marks)
- (Total 15 Marks)

**Question No. 04**

- I. What do you mean by a “Business Plan”?  
(02 Marks)
  - II. Briefly explain the importance of a business plan.  
(05 Marks)
  - III. Discuss the importance of entrepreneurship to the economic development of the country.  
(08 Marks)
- (Total 15 Marks)

**Question No. 05**

Write short notes on the followings.

- I. Invention and Innovation
- II. Ethical Responsibility of a Business
- III. Bootstrapping
- IV. Angel Investor
- V. Intellectual Property

(03 Marks Each)

(Total 15 marks)

