



024

UNIVERSITY OF RUHUNA**FACULTY OF MANAGEMENT AND FINANCE****Bachelor of Business Administration Degree Program 3000 level semester II
End Examination (March/April - 2021)****ENT 32233 – VENTURE STRATEGIES****Duration: Three hours****The question paper contains seven (7) questions.****Instructions:**

- **Answer five (5) questions, including question number one (1).**

01. Following information is extracted from "Raveen Brothers" business pertaining to three-year period and the information describes the business profile of "Raveen Brothers". Carefully read the business profile of "Raveen Brothers" and answer the questions given below.

Business Profile - "Raveen Brothers"

Name of the business	"Raveen Brothers"
Name of the entrepreneur	Mr. Aruna Gamage (35 years)
Year of commencement	2017
Location	No. 20, Main Street, Akuressa
Type of the business	Sole proprietorship
Product/s or services	Milk related products (Milk packets, Fresh milk and Curd only) Products introduced to the market in three flavors; Chocolate, Strawberry and Vanilla.
Target customers	All humankind
Target market area	Southern province of Sri Lanka
Market share	78% (2018), 66% (2019), 64% (2020)
Competitors	06 firms (2018), 08 firms (2019), 13 firms (2020)
Segmentation	No
Brand name	"Rasa Kiri"
Business logo	No

Value propositions	Using high-quality raw materials from local dairy farms
Annual income	Rs. 3.5 Mn (2020)
Annual production	300,000 liters
Annual profits	Rs. 1.5 Mn (2020)
Material availability	Only from 3 local dairy farmers established in the Southern province
Technology	Labor intensive – 70% Capital intensive – 30%
Information and communication technology	Limited access to the Information and communication technology
Future prospects	Expand the market into Western and Uva provinces (by 2030)
Value additions	Introduced Chocolate flavor (2017), Strawberry flavor (2018), and Vanilla flavor (2020)
Estimated production capacity	50,000 milk liters per month
Cooling unit capacity (Raw material)	1200 milk liters per day
Finished good storage capacity	01 cooling unit (10ft*10ft)
Employees	
Marketing division	01 Manager (A/L qualified) 01 Executive (A/L qualified) 06 Sales Personnel (O/L qualified)
Human Resource division	All human resource activities handled by the entrepreneur (Diploma in Marketing Management)
Operations division	01 Manager (A/L qualified) 12 Labors (O/L qualified)
Accounting division	All accounting related activities handled by the entrepreneur's wife (A/L qualified)
Promotions	No budget allocations for promotions
Transportation	Farmers transport raw material to the processing center

Fixed assets	1-acre land, one building, one computer and two mobile vans
Annual accounts	Book keeping only, No final accounts
ETF and EPF payments	No any provision made
Achievements	3 rd place of the best entrepreneur award competition - 2018
Milestones	Purchased a milk processing machine and a milk cooling unit

The owner of "Raveen Brothers" wants to re-structure the business in order to meet the growing demand of customers. Assume, you have been appointed as the Business Consultant for "Raveen Brothers" to formulate new strategic plan for the next five-year period. So, you have to do followings for this consultancy project.

- I. Assess the current entrepreneurial climate of "Raveen Brothers". (06 Marks)

 - II. Recommend several possible strategies to "Raveen Brothers" with justifications under the following grounds to be strengthen the competitive position of the business.
 - a. Differentiation strategies (04 Marks)
 - b. Functional level strategies (04 Marks)

 - III. Evaluate the possibility of following strategic approaches for the "Raveen Brothers".
 - a. Joint Venturing (04 Marks)
 - b. Enter into international markets (04 Marks)
- (Total 22 Marks)

02.

I. State the reasons for entering into international markets by Small and Medium-scale Enterprises (SMEs)?

(03 Marks)

II. Briefly explain the concept of "Think globally, act globally" as a strategic approach to the international market.

(04 Marks)

III. "Developing a strategy for a Small and Medium-scale Enterprise (SME) to compete in the international market is more difficult". Explain this statement with logical justifications.

(05 Marks)

(Total 12 Marks)

03.

I. What are the key determinants of the bargaining power of customers as described by Michael Porter?

(03 Marks)

II. Briefly explain how the buyers' bargaining power determines the competitiveness of a firm, as explained by Michael Porter?

(04 Marks)

III. "External environment assessment provides extensive insights for the betterment of a Small and Medium scale business". Explain the importance of external environment assessment for a Small and Medium-scale Enterprise (SME).

(05 Marks)

(Total 12 Marks)

04.

I. State the factors that the Small and Medium-scale Enterprises (SMEs) required to consider in implementing the differentiation strategy?

(03 Marks)

II. Briefly explain the concept of "Market niche" and its significance for a Small and Medium-scale Enterprise.

(04 Marks)

III. Criticize the role of "Hybrid strategy" as a path of gaining competitive advantages for a Small and Medium-scale Enterprise.

(05 Marks)

(Total 12 Marks)

05.

I. List out distinctive competencies which required to possess with an entrepreneurial firm for gaining competitive advantages.

(03 Marks)

II. Briefly explain how an entrepreneurial firm can apply Porter's generic strategies to gain a competitive advantage.

(04 Marks)

III. Elaborate how an entrepreneurial firm can apply the knowledge on the price elasticity of demand to face for the competition successfully in the market place.

(05 Marks)

(Total 12 Marks)

06.

I. Identify six characteristics of a product placed in the introductory stage of the Product Life Cycle (PLC) of a firm.

(03 Marks)

II. Briefly explain the strategies that can be followed in the Maturity stage of a Product Life Cycle.

(04 Marks)

III. "Advertising plays a significant role in the Product Life Cycle (PLC)". How can you apply the knowledge of PLC in planning the products advertising programs for an entrepreneurial firm?

(05 Marks)

(Total 12 Marks)

07. Write short notes on the following concepts.

I. Market Penetration Strategy and Market Skimming strategy

II. Market relinquishment and Spin-off

III. Bypass attack and Guerilla attack

[Each carries 04 marks (4*3 = Total 12 Marks)]
