

	UNIVERSITY OF RUHUNA FACULTY OF MANAGEMENT AND FINANCE	No. of Pages : 04 No. of Questions: 05 Total Marks : 70
	BACHELOR OF BUSINESS ADMINISTRATION HONOURS DEGREE 4000 LEVEL FIRST SEMESTER END EXAMINATION – AUG/SEP 2025	<i>Three Hours</i>
ENT 41203– Corporate Entrepreneurship		Academic Year 2024/2025
Instructions <ul style="list-style-type: none"> ➔ The question paper contains five (05) questions. ➔ Answer only for four (04) questions including question number one (01). 		

Question No: 01

Read the case titled “Silicone Coatings (Pvt) Ltd.” and answer the questions given below.

Silicone Coatings (Pvt) Ltd.

In 1979, when Sri Lanka's paint industry was dominated by foreign brands and limited local production capacity, a young entrepreneur from Matara, Mr. Raja Hewabowala, set out to create a homegrown alternative. Armed with a Degree in polymer and rubber chemistry from the University of Moratuwa and a deep understanding of materials science, he founded Silicone Coatings (Pvt) Ltd. with just Rs. 8,000 borrowed from his mother. The company's first products, including lacquer and paint, were manufactured manually in his backyard with the help of three workers and his family. This humble beginning laid the foundation for what would become one of Sri Lanka's most innovative and trusted paint brands. Instead of competing directly with premium foreign brands, he focused on underserved rural markets. Selling small paint tins (100 -200 ml), he catered to low-income households who could not afford to buy large quantities. A turning point came when he secured a loan from the Bank of Ceylon, which allowed him to purchase a delivery vehicle and a mechanized paint mixer. Later on, he leased and renovated an old rice mill in Walgama, Matara, to establish his first full-scale factory. Then, the company was officially registered as Silicone Coatings (Pvt) Ltd, with the core brand being “Nippolac.”

To strengthen his business and ensure quality, he embarked on vertical integration. In the 1990s, he acquired a resin plant in Ekala, enabling the company to manufacture alkyd resins, a key raw material in paint production, under a new subsidiary, Ceylon Resinoplastics Ltd.

This move reduced dependency on imports and gave him greater control over product quality and cost. Silicone Coatings expanded into waterproofing solutions such as Nippoflex, automotive coatings, wood coatings, industrial coatings, marine paints, weather-resistant products, and epoxy floor finishes, creating a robust and diverse product portfolio. The company's in-house research & development (R&D) and testing processes helped it become the first Sri Lankan paint manufacturer to obtain SLS certification, followed by ISO 9001:2000 quality certification. The company also initiated certification and training programs for professional painters, building a loyal network of skilled service providers who prefer Nippolac products, and inputs from these sessions update product refinement and innovation roadmaps. In 2012, the company entered a strategic joint venture with Nippon Paint Singapore, one of Asia's largest paint manufacturers. This partnership grants access to global R&D, advanced coating technologies, and sustainable product innovations into its existing strengths. The company also collaborates with painters, dealers, and customers who provide feedback that directly influences product development, while partnerships with universities and environmental authorities enable co-creation of eco-friendly, low-Volatile Organic Compound (VOC) paints. Further, Nippolac actively shares its internal expertise through training programs for dealers and professionals, enabling knowledge transfer on application techniques and product use. Moreover, Nippolac engages in joint product development with architects and engineers, allows blending internal R&D with external technical requirements, while joint sustainability initiatives with academia and regulators foster mutual value creation and intellectual property development. Together, these approaches help Nippolac maintain competitiveness, adaptability, and relevance in a dynamic industry.

Silicone Coatings (Pvt) Ltd. anticipated the trend toward sustainable housing and green construction in Sri Lanka. The company developed product lines that support green certifications and eco-friendly building standards. It also launched its own retail concept stores (ColourWorld outlets) and mobile color-matching services, rather than relying solely on third-party distributors. The local team are empowered to drive decisions related to marketing campaigns, dealer network management, and community engagement without centralized control from the parent company. The company maintained a strong competitive stance against multinational brands like Dulux and multinational coatings through price innovation, local customization, and rapid market penetration. Silicone Coatings became a member of the UK's Paint Research Association, signaling its commitment to global standards and continual innovation. The company's emphasis on local value addition,

employee training, and product customization significantly contributed to developing Sri Lanka's industrial coatings sector. Ramon Hewabowala, the son of Mr. Raja Hewabowala took over as Managing Director, continuing the family legacy while bringing in a new phase of professional leadership. Importantly, the company retained the popular "Nippolac" brand name due to its strong brand equity in Sri Lanka. (Source: https://cnci.lk/livesite-backup-02-02-2024/resources/files/newsletter/2017/CNCI_News_Bulletin_2017_October.pdf)

Questions:

- (i) What strategies did Mr. Hewabowala use to create and secure a market for his products in the early stage of his entrepreneurial journey?
(04 Marks)
 - (ii) How has Silicone Coatings (Pvt) Ltd. demonstrated Entrepreneurial Orientation (EO)? Identify the dimensions of EO and illustrate them suitable examples from the case study.
(10 Marks)
 - (iii) Classify three types of open innovation practices adopted by Silicone Coatings (Pvt) Ltd., and provide relevant examples from the case.
(06 Marks)
 - (iv) Discuss the key elements of an entrepreneurial culture, as outlined by Paul Burns that are demonstrated by Silicone Coatings (Pvt) Ltd.
(05 Marks)
- (Total Marks 25)**

Question No. 2

- (i) Define the term "Entrepreneurial Management".
(03 Marks)
 - (ii) Explain the difference between "Strategic Renewal" and "Organizational Rejuvenation" using a real-world example.
(06 Marks)
 - (iii) "It is essential to ensure alignment between the management style and the organization's structure". Discuss this statement illustrating the relationship between management style and organizational structure with a graphical representation.
(06 Marks)
- (Total Marks 15)**

Question No. 3

- (i) What is meant by “Public Sector Entrepreneurship”? Explain with an example.
(03 Marks)
 - (ii) Explain the concept of “Open Book Management” and briefly describe its four key principles.
(06 Marks)
 - (iii) “Strategic Entrepreneurship is a balance between opportunity-seeking and advantage-seeking behaviors”. Critically discuss this statement.
(06 Marks)
- (Total Marks 15)**

Question No. 4

- (i) Define the term “Entrepreneurial Health Audit” and outline its three main steps.
(04 Marks)
 - (ii) “Companies are transforming their human resource management functions, moving beyond traditional functional roles to adopt a strategic role”.
Briefly describe the key strategic responsibilities of a human resource manager in a corporate organization.
(06 Marks)
 - (iii) Discuss five factors of the “Corporate Entrepreneurship Climate Instrument”.
(05 Marks)
- (Total Marks 15)**

Question No. 5

Write short notes on the following.

- (i) Strong culture Vs. weak culture
 - (ii) Transactional leadership Vs. transformational leadership
 - (iii) The role of human resources in traditional management Vs. agile management
- (Each carries 05 Marks (5x 3) = **Total Marks 15**)
