



UNIVERSITY OF RUHUNA
FACULTY OF MANAGEMENT AND FINANCE

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Total Marks :70

ENT 41213 –Entrepreneurship and Regional Development

Academic Year 2024/2025

BACHELOR OF BUSINESS ADMINISTRATION HONOURS DEGREE

4000 LEVEL FIRST SEMESTER END EXAMINATION –AUG./SEP. 2025

Three Hours

Instructions

- This question paper contains 05 questions.
- Answer only for four (04) questions including **question number one (01)**.

Question 01

Read the case titled “Turning Challenges into Opportunities: The Story of Kahandagama Village” and answer for the questions given below.

“Turning Challenges into Opportunities: The Story of Kahandagama Village”

Kahandagama is a small rural village located in the Badulla District in Sri Lanka’s Uva Province. For decades, the people of Kahandagama faced many hardships, as most families depended on tea plucking, small-scale vegetable farming, and daily wage labor. The hilly landscape, irregular rainfall, and poor transport facilities made life difficult. Many young men and women lost confidence in building a future in the village and chose to migrate to Colombo or to Middle Eastern countries for work. Public facilities in Kahandagama were also very limited. The village school had only two classrooms with broken furniture and no access to computers. Health facilities were restricted to a small dispensary with a visiting doctor who came once a fortnight. The village’s unpaved road turned muddy and often impassable during the rainy season, making it difficult for farmers to transport their vegetables to markets on time. As a result, they were often forced to sell their vegetables to middlemen at very low prices, limiting their earnings and making it hard to sustain their livelihoods.

A turning point came in 2008 with the extension of the Samurdhi Program, which initially provided low-income families with a small monthly allowance and later introduced livelihood support and micro-credit schemes. Some families used these loans to start grocery stalls, raise goats, or produce dairy products like curd and ghee, creating new income streams and reducing dependence on daily wage labor. In 2013, the Divi Neguma Program promoted home gardening and small enterprises by providing seeds, compost, and training on organic farming. Women began engaging in income-generating activities, and a group of young women formed a cooperative to produce dried fruits and herbal teas, which they branded under a village name and sold at fairs.

Infrastructure improvements further boosted development. Improved irrigation allowed farmers to diversify crops beyond seasonal vegetables to beans, passion fruit, and potatoes. Training from the

Department of Agriculture introduced drip irrigation and sustainable farming methods, increasing both yield and quality. By 2020, the Gamperaliya Program repaired the main village road, upgraded the school with new classrooms, computers, and furniture, and built a community center for training and village meetings.

Amid these changes, individual success stories highlighted how development programs could inspire entrepreneurship. One example is Harsha, a young man who returned to Kahandagama after completing a Bachelor of Business Administration in Entrepreneurship from the University of Ruhuna. Using a Gamperaliya grant, he set up a small organic tea packaging business, sourcing leaves from local farmers and marketing them through social media. Within three years, his enterprise employed six villagers, including school leavers who might otherwise have migrated, and gained recognition in local supermarkets as well as small export orders.

Progress was not always smooth, but over more than a decade, coordinated support from development programs and the entrepreneurial spirit of villagers brought real transformation. Today, Kahandagama is more hopeful, with families enjoying diversified incomes, youth staying to work in the village, and women playing an active role in economic life. The story of Kahandagama shows that rural development requires time, persistence, and collaboration and highlights how entrepreneurship whether in agriculture, small businesses, or value-added industries can drive long-term regional growth when supported by consistent government policies and community participation.

- I. Explain the main challenges faced by the villagers of Kahandagama before development programs were introduced. (05 Marks)
 - II. Discuss the role of infrastructure projects in enhancing agriculture, business, and overall development in Kahandagama. (06 Marks)
 - III. Analyze Harsha's journey as an entrepreneur and explain how his success benefitted the community and contributed to regional development. (07 Marks)
 - IV. Assume you are a policymaker, what new steps would you propose to strengthen entrepreneurship and sustainable development in villages like Kahandagama? (07 Marks)
- (Total 25 Marks)

Question 02

- I. What are the two primary approaches to regional development? (03 Marks)
 - II. "The Sri Lankan government has introduced several development programs aimed at reducing poverty and uplifting rural livelihoods". Briefly explain two major poverty alleviation programs implemented in Sri Lanka. (05 Marks)
 - III. "Entrepreneurship is widely recognized as a driving force behind regional economic and social progress". Explain how entrepreneurship contributes to regional development. (07 Marks)
- (Total 15 Marks)

Question 03

- I. What is meant by Local Economic Development (LED)? (03 Marks)
 - II. "Local governments play a vital role in LED by developing infrastructure and providing policy support". Briefly explain the role of local governments in LED with an example from Sri Lanka. (05 Marks)
 - III. "Privatization in Sri Lanka refers to the transfer of state-owned enterprises (SOEs) to private ownership".
Critically evaluate how privatization has affected economic growth and regional development in Sri Lanka. (07 Marks)
- (Total 15 Marks)

Question 04

- I. List out the three key institutions in Sri Lanka that support entrepreneurship and regional development. (03 Marks)
 - II. "Kasun is an entrepreneur who wants to make his business more innovative and competitive within his region". How can joining a business network help him to achieve this goal. (05 Marks)
 - III. "Government support and policies are essential to encourage entrepreneurship in regional development". Explain the role of government initiatives in strengthening entrepreneurship for regional growth. (07 Marks)
- (Total 15 Marks)

Question 05

- I. What is meant by a "business incubator." (03 Marks)
 - II. "Public Private Partnerships (PPPs) can be structured in different ways to implement infrastructure projects". Briefly explain the two types of PPPs and how they differ in terms of ownership and operation. (05 Marks)
 - III. Mrs. Nadeesha wants to establish a small business producing handmade ayurvedic skincare products with natural ingredients, but does not have sufficient resources or business knowledge. How can a business incubator assist Nadeesha in developing her business successfully? (07 Marks)
- (Total 15 Marks)
