



UNIVERSITY OF COLOMBO, SRI LANKA

FACULTY OF MANAGEMENT AND FINANCE

Bachelor of Business Administration (Level II- Semester VI) Examination –January 2018

**MOS 2207 - Entrepreneurship and Small Business Management**

Two (02) Hours

Answer **FOUR (04)** Questions only

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1. i. “There is an argument among the scholars that it is difficult to study and understand the realities in Small and Medium Scale Business (SME) sector in a country”
- Evaluate this statement highlighting the reasons for such a scenario (05 Marks)
- ii. “There is no uniform definition for a small, medium or large scale business in Sri Lanka and many other countries”
- Therefore, you are required to:
- a. Give reasons for absence of an uniform definition (05 Marks)
- b. Briefly explain the bases which could be used to define a different category of business along with examples to each base. (05 Marks)
- c. Give some existing definition for SMEs in Sri Lanka (05 Marks)
- iii. Summarize the challenges faced by the contemporary SMEs (05 Marks)
- (Total: 25 Marks)**
2. i. Briefly explain five (05) issues faced by the Sri Lankan SMEs (05 Marks)
- ii. Draw and explain the process of failure of a smaller firm with examples (05 Marks)
- iii. Discuss the reasons for failure of SMEs in many countries along with relevant statistics. (10 Marks)

- iv. Briefly explain the costs of a business failure to the entrepreneur, creditors, society and the economy. (05 Marks)

**(Total: 25 Marks)**

- 3 i. Briefly explain the evolution of western entrepreneurship with the emergence of Protestantism. (05 Marks)

- ii. Define following terms with your own words

- a. Entrepreneur
- b. Intrapreneurship
- c. Wage employment
- d. Self-Employment

(05 Marks)

- iii. Evaluate the following characteristics of an entrepreneur along with practical examples to each.

- a. Risk taker
- b. Innovator
- c. Opportunity seeker

(10 Marks)

- iv. Briefly explain the Clarence Danhof's classification of entrepreneurs.

(05 Marks)

**(Total: 25 Marks)**

- 4 i. Differentiate among an entrepreneur, a manager and a leader

(05 Marks)

- ii. "There are many misconceptions about entrepreneurs in the society. Therefore, it is difficult for a country like Sri Lanka to develop an entrepreneurial culture under the present circumstances"

Explain the misconceptions about entrepreneurs in the society.

(10 Marks)

- iii. Discuss the advantages and disadvantages of becoming an entrepreneur to the society and the individual.

(05 Marks)

- iv. Summarize the social and economic contribution of entrepreneurship

(05 Marks)

**(Total: 25 Marks)**

5 i. Define the following terms along with example to each

- a. Creativity
- b. Invention
- c. Innovation
- d. Prototype

(05 Marks)

ii. "Some scholars argue that creativity can be taught whereas some argue that it cannot be taught"

Critically evaluate this statement by taking practical examples and theoretical explanations.

(10 Marks)

iii. Discuss the barriers to creativity along with possible remedial actions to each.

(10 Marks)

**(Total: 25 Marks)**

6 i. "There is a similarity between human beings and organizations. Both human beings and organizations have life cycles. There is a beginning, evolution and decay. Each stage of life cycle has its own characteristics too".

Evaluate this statement with examples.

(10 Marks)

ii. "Greiner (1998) introduces a five-stage life cycle for an organization, which consists of five growth stages along with five crisis stages. This characterizes the firm as growing through a series of evolutions and revolutions precipitated by various crises. Each evolutionary phase is dominated by a particular management style used to achieve growth, and during each revolutionary period a dominant managerial problem has to be overcome"

(Source: Greiner Larry E., *Evolution and Revolution as Organizations Grow*. Harvard Business Review, pp 55-67, July/August 1998)

Briefly explain the each stage of evolution and revolution along with practical example to each stage.

(15 Marks)

**(Total: 25 Marks)**