



**ZIMBABWE EZEKIEL GUTI UNIVERSITY**

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**FACULTY OF LAW, BUSINESS INTELLIGENCE AND ECONOMICS**

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**DEPARTMENT OF ECONOMICS, MARKETING AND ENTREPRENEURSHIP**

**EXAMINATION PAPER**

**COURSE CODE** : CPS 415  
**COURSE TITLE** : VENTURE CREATION  
**SPECIAL REQUIREMENTS** : NO SPECIAL REQUIREMENTS  
**DURATION** : 3 Hours  
**LEVEL** : 4.1  
**EXAM DATE** 14 JUN 2024

**INSTRUCTIONS TO CANDIDATES:**

1. No cell phones are allowed in the examination venue.
2. Use of silent, non-programmable calculators is allowed.
3. Answer ALL questions in Section A and choose two questions in Section B and one question in section C
4. Begin each question on a new page in a new section.
5. The number of marks for each question or part question is shown in brackets [ ]

SECTION A: MULTIPLE CHOICE SECTION 60 MARKS (answer all questions in this section) each question is worth 3 marks

1. An individual who initiates, creates, and manages a new business can be called \_\_\_\_\_.
  - A. A leader
  - B. A manager
  - C. An entrepreneur
  - D. A professional
  
2. Trademarks relate to \_\_\_\_\_.
  - A. Practice and knowledge acquired through experience
  - B. The protection of proprietary information of commercial value
  - C. The right to reproduce one's own original work
  - D. Brand identity
  
3. Which could provide an individual with the motivation to start a new business venture?
  - A. The financial rewards.
  - B. A desire to be independent.
  - C. Risk-taking
  - D. All the above.
  
4. Which of the following factors would not be included in a PESTLE analysis?
  - A. Government re-cycling policy.
  - B. Proposed reduction in interest rates.
  - C. Competitor activity.
  - D. Demographic changes.
  
5. Which industrial sector tends to naturally promote small-scale businesses and Entrepreneurship, and generally has lower barriers to market entry?
  - A. Service.
  - B. Manufacturing.
  - C. Distribution.
  - D. Agriculture.
  
6. Why are small businesses important to a country's economy?
  - A. They give an outlet for entrepreneurs.
  - B. They can provide specialist support to larger companies.
  - C. They can be innovators of new products.
  - D. All the above.

7. A business arrangement where one party allows another party to use a business name and sell its products or services is known as \_\_\_\_\_.

- A. A cooperative.
- B. A franchise.
- C. An owner-manager business.
- D. A limited company.

8. Which of the following is the reason for business failure \_\_\_\_\_.

- A. Lack of market research.
- B. Poor financial control.
- C. Poor management.
- D. All the above.

9. The use of informal networks by entrepreneurs to gather information is known as \_\_\_\_\_.

- A. Secondary research.
- B. Entrepreneurial networking.
- C. Informal parameters.
- D. Marketing

10. Good sources of information for an entrepreneur about competitors can be obtained from \_\_\_\_\_.

- A. Websites.
- B. Product information leaflets.
- C. Company reports and published accounts.
- D. All the above.

11. A new venture's business plan is important because \_\_\_\_\_.

- A. It helps to persuade others to commit funding to the venture.
- B. Can help demonstrate the viability of the venture.
- C. Provides a guide for business activities by defining objectives.
- D. All the above.

12. Primary data is \_\_\_\_\_.

- A. the most important data.
- B. the data that is collected first.
- C. new data specifically collected for a project.
- D. data that is collected second.

13. Innovation can best be defined as \_\_\_\_\_.

- A. the generation of new ideas.

- B. the evolution of new ideas.
- C. the opposite of creativity.
- D. the successful exploitation of new ideas.

14. Which of these statements best describes the context for entrepreneurship?

- A. Entrepreneurship takes place in small businesses.
- B. Entrepreneurship takes place in large businesses.
- C. Entrepreneurship takes place in a wide variety of contexts.
- D. Entrepreneurship does not take place in social enterprises.

15. Entrepreneurs are motivated by \_\_\_\_\_.

- A. money.
- B. personal values.
- C. pull influences.
- D. All the above.

16. Which of the following are described as one of the Big Five personality traits?

- A. tolerance of others.
- B. need for achievement.
- C. propensity to leadership.
- D. locus of control.

17. Which of the following is least likely to influence the timing of new business births?

- A. Government policies.
- B. Profitability.
- C. Consumer expenditure.
- D. Weather conditions.

18. Which of the following statements is false?

- A. Market segmentation is a useful process for small businesses to undertake.
- B. Selling is essentially a matching process.
- C. A benefit is the value of a product feature to a customer.
- D. It is a good idea for small businesses to compete solely on price.

19. The purpose of all good small business strategy is \_\_\_\_\_.

- A. to increase turnover.
- B. to increase profitability.
- C. to achieve competitive advantage.
- D. to achieve stated objectives.

20. Which of the following is a recognized disadvantage of setting up as a start-up as compared with other routes to market entry?

- A. less satisfaction of the owners.
- B. less help from various agencies.
- C. there are more funds required.
- D. there is a high failure rate.

**SECTION B: SHORT ANSWER SECTION 30 MARKS**

Write short notes on any **two** of the following: detailing the nature, expected ownership type, capital level, and risk-related issues in the companies.

- a) Sole Proprietorship [15 marks]
- b) Partnership [15 marks]
- c) Private Company [15 marks]
- d) Public company [15 marks]

**SECTION C: LONG ANSWER SECTION 10 MARKS (answer **one** question here)**

1. Feasibility Analysis is an important tool in the process of new venture evaluation. Explain in full the stages involved in the feasibility analysis. [10 marks]
2. SWOT Analysis has proved over the years to be an efficient tool for analyzing the business environment. Using this model, justify the existence of Bon Marche and ways of mitigating areas of weakness. [10 marks]

0/4 pm

**THE END**