



**MANICALAND STATE UNIVERSITY
OF
APPLIED SCIENCES**

FACULTY OF AGRIBUSINESS AND COMMERCE

DEPARTMENT OF BUSINESS MANAGEMENT

ENTREPRENEURSHIP BUSINESS

ENGINEERING/ENTREPRENEURSHIP & SMALL BUSINESS

DEVELOPMENT

MODULE CODE: HBM413/HBM 416

SESSIONAL EXAMINATIONS

SEPT/OCT 2021

DURATION: 3 HOURS

EXAMINER: MR S. MUPARANGI

INSTRUCTIONS

- 1. Answer all questions in Section A and any three questions in Section B.*
- 2. Section A carries 40 marks whilst Section B carries 60 marks.*
- 3. Total marks 100.*
- 4. Credit will be given for appropriate use of examples*

(Answer all questions in this section. Section A carries 40 marks)

Question 1 Read the following case study and answer the questions that follow

To harvest or not: Teresa's dilemma

Sitting on a bench in the dog park, Teresa glanced at her phone. She'd hoped to escape from work for the morning, but as the founder and CEO of Bhoki na Bhoki, a maker of all-natural dog care products, she didn't have much free time. This was a rare outing with her 2 dogs, and she wanted to enjoy it. These were her first and second babies, adopted just after she and her husband, Peter, had gotten married. The business was her third baby. By 2017 dog food business was already a \$1 billion industry, according to the CZI. Over the next six years she'd hired a few staffers and added several more all-natural products, such as conditioner and toothpaste.

Although her products were selling well, revenues had plateaued at about \$100 000 annually. She didn't think she could take Bhoki na Bhoki any further, and now she had a real baby on the way. Seven months pregnant and feeling a little burnt out from years of 24/7 work, she needed and wanted a change. Teresa discovered that the future of Bhoki na Bhoki would be online business and she had no qualifications and experience with technology. This added to her frustrations. As this was not enough, the following morning the government published laws instructing foreign owned businesses to cede majority shareholding to locals. Surely it never rained but pours for Teresa being a foreign national seeking to spread her wings in the business world.

She was ready to step down as CEO and possibly to sell the company. But after months of research and meetings, she still hadn't found the right successor or buyer. But only one seemed close to a good fit: Christine, a 35-year-old MBA

whose previous experience included stints at a cosmetics start-up and a global consumer products company. Christine was ready to buy 40% of Bhoki na Bhoki and assume managerial roles. However, Christine indicated her desire to revamp the business, introduce technology which would see 50% of the staff being dismissed. She also indicated that she would also look for new partners to invest in the business. This could not go down well with Teresa who felt that this would run down the business she loved so dearly. She turned down the offer.

Teresa considered another offer from Doghouse Luxe, a luxury dog food specialist. The deal would see Bhoki na Bhoki and Doghouse combining to form one big entity. Teresa would receive \$1 million payout and own 10% of the merged entity. However, Teresa did some background checks on Doghouse and discovered that the company was being investigated for money laundering, an offence which would result in government takeover if proved to be true. Doghouse had made tremendous investment in state of the art machinery which made them household name in dog products. Teresa was left in quandary. Perhaps exiting was never a good decision after all. But does she have a choice?

Required:

- a) Justify Teresa's decision to harvest Bhoki na Bhoki. (8 marks)
- b) Critically evaluate the 2 options which Teresa considered as harvesting options. (10 marks)
- c) From the look of things, it seems Teresa is about to give up on harvesting though necessary. Advise Teresa on any other 4 harvesting options she can explore before throwing in the towel. (10 marks)
- d) If somehow Teresa decides not to harvest, discuss the implications of such a decision to Bhoki na Bhoki. (12 marks)

[Total marks: 40]

SECTION B

(Answer any 3 questions from this section. Each question carries 20 marks)

Question 2

Washington Dzuda, a high school dropout, left his job in 2019 to start an enterprise manufacturing and selling toiletries. He started the business after realising that he could earn more by developing a new line of toiletries to sell to local hotels. However, its 2 years down the line, Washington is still operating at 15% capacity owing to shortage of financial resources. Further to that his business has experienced a decline in demand due to harsh economic environment. He even approached a couple of local investors who turned him down several times.

- a) Discuss any 3 possible factors limiting investors from investing in Washington's business idea. (6 marks)
- b) Using diagrammatical illustration, discuss Washington's venture life cycle taking note of sources of funding applicable to each stage. (10 marks)
- c) Advise Washington on the relevance of entrepreneurial networking for his business growth ambitions. (4 marks)

[Total marks: 20]

Question 3

A nation without vision is doomed. However, Zimbabwe is currently implementing vision 2030. With the aid of relevant examples, discuss the relevance of technological innovation in attaining the four facets of Zimbabwe's vision 2030

[20 Marks]

Question 4

You have been invited to present at a symposium for new venture creation at the Vumba mountains. One of the participants presents a paper supporting franchising as an idea of the century. The participants seem to be confident about the idea of franchising without critical analysis of some grey areas in franchising. As an expert in entrepreneurship, advise participants on common myths regarding franchising.

[20 Marks]

Question 5

The concept of green entrepreneurship has gained momentum across the world and Zimbabwe is not an exception either. Using practical examples, discuss factors pushing Zimbabwean entrepreneurs into green entrepreneurship.

[20 Marks]

Question 6

Innovation and invention are just one and the same thing and their purported differences are just a matter of semantics. Demystify this assertion.

[20 Marks]

END OF EXAM