



MANICALAND STATE UNIVERSITY OF APPLIED SCIENCES

FACULTY OF AGRIBUSINESS AND APPLIED SOCIAL SCIENCES

DEPARTMENT: APPLIED BUSINESS SCIENCES

MODULE: FAMILY AND SMALL BUSINESS MANAGEMENT

CODE: BMAN 221

SESSIONAL EXAMINATIONS

APRIL/MAY 2023

DURATION: 3 HOURS

EXAMINER: MR. A. MTHOMBENI

INSTRUCTIONS

1. Answer *All* questions in Section A
2. Answer *any three* questions in Section B
3. Start a new question on a fresh page
4. Total marks 100
5. Credit will be given for appropriate use of examples

Additional material(s): None.

SECTION A: COMPULSORY

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

Question 1

Read the following case study and answer the questions that follow

ALEX MASHAMHANDA FAMILY BUSINESS PROFILE

A 72-year-old businessperson and founder of Mashwede Holdings, Alex Mashamhanda, was born in Chivi. Today he commands a business empire that employs over six hundred people. He is the founder and owner of Mashwede Holdings. (Mashwede is a compound name for Mashamhanda, his father's name and Hwede, his grandfather's name). His business interests span from property and fuel to commodities, LP gas, and more. Mashwede Holdings is headquartered at Mashwede Towers in Arcadia. He is a Trustee at Falcon Golf Club in Hatfield, a place he frequents every weekend. Mr Mashamhanda is also known for his US\$850 000 mansion at his rural home in Chivi. The mansion is 3-storey, has seven en suite bedrooms, and more than 4 balconies, and amongst other features. He did his primary education at St Simon Zhara. Later, he attended Berejena Mission for his secondary level education. He then studied Local Governance at Domboshava Training Centre. He started off working in banking, initially at Barclays Bank. Afterwards, he worked at Zimbank, at one point becoming a branch manager. His business journey started with him launching M&H Educational Supplies around the 90s. After leaving Zimbank he started focusing full-time on M&H Educational Supplies. He also started a shop business in Mutoko at Suswe Business Centre. From then on, his business interests grew exponentially. Things grew to a point where he sponsored the M&H National Under 17 soccer tournaments from 1997 to 2011. He has been instrumental

over the years in giving back to communities. In Sese, he has bankrolled several initiatives e.g., electrification, irrigation, and several others. For example, Mashwede Holdings availed US\$150 000 that was used to connect water and electricity for 3 schools in Sese. These are Danhamombe High, St Simon Zhara Primary, and Chikore Primary. They also connected water to over 20 houses in his rural home area. Not too long ago, Mashwede Holdings gave a scholarship to a student from Chitungwiza who was struggling with finances for his university studies. These are just a few examples of the many times MR Mashamhanda has Mr. Mashamhanda is a personification of humility and frugality. It is common place for successful businesspeople to live indulgent lives. He is a stark contrast to that narrative. I recall last year he was usually using a Honda Fit as his vehicle. An encapsulation of his mindset is best captured in something he once said: ‘A car is a mode of transport and not a tool for showing off. My car is a fuel saver. Some people buy expensive cars to impress girlfriends. At my age, can I honestly do that?’ The hallmark of an exemplary father is to leave an inheritance for his kids. Creating wealth that will live on for generations should be the aim of every businessperson or entrepreneur. MR Mashamhanda is big on that. He once indicated that he is already conditioning his children to be at the helm later on. This is a perfect example of not only leaving an inheritance but of involving your children in your business interests. Two of his sons are currently directors at Mashwede Holdings. This has the desired effect of leaving a lasting legacy.

You often hear emphasizes on investing in real estate. Mr. Mashamhanda has always urged businesspeople to invest in or purchase immovable properties. This refers to things like buildings or land that is a sure way to make sure wealth. Mr. Mashamhanda is also a huge proponent of being a person of integrity. Integrity is steadfast adherence to a strict moral or ethical code. In his own words he says, ‘In business, one must be honest. You must be honest with yourself first, honest with

your finances, your clients and with whoever you do business with'. Mr. Mashamhanda is an inspirational example of how it is possible to start from humble beginnings and make it in business. He is also an example of longevity is possible in business – he has been thriving in the business since the 90s. Certainly, there is so much to learn from him.

Article by Clive Masarakufa Jun 3, 2022

Extracted from <https://startupbiz.co.zw/category/entrepreneurs-profiles/> Accessed on 03/03/23

Required

- a) From the above extract, discuss any five (5) business traits possessed by Mr. Mashamhanda that must be emulated by small businesses for successful businesses. (15 marks)
- b) The case shows that Mr Mashamanda contributed to the development of his own community. Why is it important for family and small businesses to practice social responsibility (15 marks)
- c) How has the Government of Zimbabwe helped to ameliorate challenges facing small businesses in the country. (10 marks)

[Total Marks: 40]

SECTION B

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

Question 2

The Small and Medium Enterprises Development Corporation (SMEDCO) provides

loans for starting up businesses and also for business expansion to family and small business owners. However, it requires that the small business owners furnish SMEDCO with a developed business plan when applying for loans.’ Justify this requirement. **[20 marks]**

Question 3

‘Some family and small businesses have remained small despite many growth opportunities available to them.’ Discuss reasons why some small businesses choose to remain small. **[20 Marks]**

Question 4

Assess the different types of risks faced by family and small businesses in Zimbabwe. **[20 Marks]**

Question 5

Most inherited forms of family businesses do not survive the test of time.’ With reference to this statement explain any four (4) reasons why most inherited businesses fail. **[20 marks]**

Question 6

- a. With reference to Projects by any family and small business of your choice, validate why new startups are better than using a franchise. (10 Marks)
- b. Due diligence check is integral before buying an existing business.’ Motivate this statement (10 Marks)

[Total: 20 Marks]

END OF EXAMINATION