

EASTERN UNIVERSITY, SRI LANKA
FACULTY OF COMMERCE AND MANAGEMENT

Postgraduate Studies Unit

First Year Second Semester Examination in Master of Business Administration –

2016/2017 (January/ February 2018) (Proper/ Repeat)

MBA 1113 Entrepreneurial Skill Development

Answer all questions.

Time: 3 Hours

01

Success Story of an Entrepreneur

Mrs. A. N. Sujata is the Managing Partner of Rama Machine Tools, an engineering firm established by her father in 1988. She has started a new firm Diamond Engineering Company – dealing with machinery for coir and palm industry.

On the personal front Mrs. Sujata has been able to manage her household very successfully. She has received a lot of encouragement from her husband and he also lends a hand with the housework. They have a daughter who goes to school and spends the afternoon at her mother's office. When asked there as on for her success both at home and at work, she simply says that it is a matter of compromise.

Mrs. Sujata is fortunate in getting the assistance of her father. It was natural enough to follow in the footsteps of her father and get into the world of entrepreneurship. Immediately after she completed her schooling, she took up BSc. in Mechanical Engineering at a University of Moratuwa in Colombo. When she passed out, she joined her father at Rama Machine Tools and was made Managing Partner. This brought a lot of problems because most of the staff at the factory did not like the idea of working for a woman who was so young and inexperienced. Some of the employees had been working there for 20 years 'But this' did not faze her at all. She just decided to push harder and dealt with them with a firm hand.

After having worked at her father's firm she was still very keen on the idea of starting her own business. She wanted to find out for herself if she could establish a separate business with her academic credentials. Since she was trained as an engineer it was important that she does something with which she was familiar. So in 1982, after submitting her project report

and getting a working capital loan, Diamond Engineering Company was established, by Mrs.Sujata as the Sole Proprietor manufacturing of coir and palm machinery.

The Engineering degree has proved to be useful to her ineffectively managing her entrepreneurial career. But most of her practical experience is credited to her father's company under his guidance.

Initially, the employees did not like the idea of working for a women entrepreneur. They had the traditional idea of women being just housewives. This has been a common problem with several women entrepreneurs. But Mrs.Sujata overcame this problem very effectively and dealt with them with a firm hand, wherever needed.

In 1995 she had first-hand experience of being confronted with a labour problem at her factory. They went on a strike demanding increments. They thought that since she was a woman, they could easily gain an upper hand by intimidating her. But she proved them wrong and refused to be cowed down. The ongoing battle went to the courts and took two years. In the end, she managed to work out a successful compromise with them which was mutually satisfying.

Today they manufacture equipment and machinery which are used by the coir industry such as the extraction of coir fibres and the processing of these fibres. Fortunately for her, there is not much competition in this field as there are very few people in this business. The company also manufactures palm machinery.

The firm has been regularly supplying the machinery to several government agencies, Coconut Development Board, Palmyrah Development Board and Industrial Development Board. The Industrial Development Board had recommended the name of this firm to SAARC countries for export. The firm supplies the machines to SAARC countries and South East Asian countries. The firm has received orders from Asian countries for the coir and palm machineries.

Read the above case and answer the following questions:

- a) Explain the growth profile of Mrs. Sujata
(06 Marks)
- b) Elaborate the entrepreneurial qualities of Mrs. Sujata
(06 Marks)
- c) Comment on the necessary improvement of entrepreneurial qualities for Mrs. Sujata
(08 Marks)
- d) Discuss how Mrs. Sujata could have solved the problems of insubordinate employees and labour strike.
(08 Marks)

(Total 28 Marks)

02

“A general acceptance is that Entrepreneurs are born as well as made. There are some unique characteristics of a person that are born with him which help him to launch a business successfully. In the meantime, he has to develop certain competencies to run the business successfully”.

- (i) What are the personality traits that are born with an entrepreneur which will allow him to choose entrepreneurship as a career? Discuss how they help in being an entrepreneur
(08 Marks)
- (ii) What are the key personal competencies that an entrepreneur should acquire to run his business profitably in a sustainable manner? Discuss how each of them will contribute to the profitability and sustainability of the business.
(10 Marks)

(Total 18 Marks)

03

“Entrepreneurship initiates innovation, which contributes to economic development through increased investment. But there is a lack of understanding in the “Production evolution process”.

- (i) What do you understand by the “Product evolution process”?
(04 Marks)
- (ii) Describe the different stages of the “Product evolution process”. With examples.
(04 Marks)

(04 Marks)

(iii) Identify the most critical stage of the “**Product evolution process**” as per your opinion and justify your choice with critical judgements.

(04 Marks)

(iv) Taking “**washing powder**” as an example, describe how the product “**washing powder**” would have evolved for the market through the production evolution process.

(06 Marks)

(Total 18 Marks)

04

“An entrepreneur will be more successful if he can add value to the products using innovation”.

(i) What is value addition?

(04 Marks)

(ii) Explain how innovation will contribute to value addition

(06 Marks)

(iii) Using “**Milk**” and “**Curd**” as an example, explain how producing and selling curd is more profitable than selling milk. Assume the prices for the calculation of the cost of production.

(08 Marks)

(Total 18 Marks)

05

“Eastern Province is rich in resources. But the utilization of these resources for the purpose of production is very poor.”

(i) Identify 10 major resources in Eastern Province.

(04 Marks)

(ii) Discuss the reasons for the non-utilization of their resources.

(05 Marks)

(iii) Select 05 resources and list out the products that can be produced using their resources.

(04 Marks)

(iv) Of these products, select one industry and prepare a “**Marketing Plan**” for the establishment of an industry.

(05 Marks)

(Total 18 Marks)