



UNIVERSITY OF KELANIYA – SRI LANKA

Centre for Distance and Continuing Education

Faculty of Commerce & Management Studies

Bachelor of Commerce (Special) Degree Fourth Year Examination (External) – 2021
August - 2024

BCOM E 4055- Family Business

No. of Questions : Five (05)

Time: 03 hours

Answer any four (04) questions only.

Question No 01

Sweet Treats (Pvt.) Ltd. is a company owned by Mr. Ranjith Perera and Ms. Shalini Kumar. Mr. Ranjith serves as the Chief Executive Officer, while his wife, Ms. Shalini, holds the position of Managing Director. Two of Ranjith's close friends, Arjuna and Dilshan, are the company's shareholders, but they do not take part in the day-to-day management of the business. Ranjith and Shalini have a daughter, Anaya, and a son, Kavin. Kavin is actively involved in the business, while Anaya is still in school and not yet part of the company.

a). Is this a Family business? Justify your answer.

(05 Marks)

b). According to the systems theory, describe three (03) family business types and explain to which category the above business belongs.

(10 Marks)

c). Following the systems theory, discuss the requirements and interventions of three (03) parties of the above case.

(10 Marks)

(Total 25 Marks)

Question No 02

Mr. Anura Jayasinghe is the proud owner of "Crafted Furniture House," a business he has nurtured over the years. His son, Nuwan Jayasinghe, has recently come on board as a partner, showing great enthusiasm and dedication to the family business. Recognizing the importance of succession, Anura has started mentoring Nuwan to take over the reins in the future. Anura dreams of a time when he can retire, confident that Nuwan will continue to

expand the business. Nuwan, an energetic and skilled young man, is passionate about the furniture industry and is eager to carry on his father's legacy when the time is right. Mrs. Jayasinghe, Anura's wife and Nuwan's mother, plays a crucial role in balancing her professional life with family duties. She is the key person who ensures the smooth coordination of both the family and the business, always ready to step in whenever needed.

a) Explain the family business leadership succession of the above scenario.

(05 Marks)

b) Explain the departures of CEOs and to which division Mr. Ruwan Perera belongs.

(10 Marks)

c) Explain the category of Chief Executive Officers and which category include Mrs. Pepera.

(10 Marks)

(Total 25 Marks)

Question No 03

Kavinda, an undergraduate at the Colombo University, spotted an opportunity to start an online business selling tech gadgets. He launched the business using an Instagram page, where he takes orders and ships products to customers using a delivery service, collecting payments on delivery. His initial capital was funded by his father, who now serves as the CEO of the business. Kavinda manages the day-to-day operations. His older sister, who holds a degree in business management, assists with the business's marketing efforts. However, his father has decided that Kavinda will take full ownership of the business in the future.

a) Discuss how Kavinda can develop a strong competitive advantage as a family business.

(05 Marks)

b) Explain the phases of organizational change that might occur when leadership transitions within the above family business.

(10 Marks)

c) Identify and describe potential risks Kavinda's family business might encounter.

(10 Marks)

(Total 25 Marks)

Question No 04

Nadeesha is running a bakery business called "Golden Bakers" at the age of 23 and she took the lead role in the business after the sudden death of her father, the business is run by the second generation of her family. Nadeesha, representing the second generation of the family, continued the tradition of starting each workday with a prayer, a practice her father had established.

Nadeesha's vision was to make "Golden Bakers" the leading bakery in their town. She worked diligently to maintain high-quality products and treated her customers with great care. Nadeesha's husband, Vimal, supported her by helping manage the business and providing valuable advice. The business has now expanded to include three additional outlets in the area, and Nadeesha has introduced a uniform for all employees, featuring the "Golden Bakers" logo to maintain a consistent brand image.

- a) Define the concept of family business culture explaining the culture of Nadeesha's business.
(05 Marks)
 - b) Analyze the cultural characteristics of "Golden Bakers."
(10 Marks)
 - c) Identify and explain the family roles and relationships evident in this situation.
(10 Marks)
- (Total 25 Marks)**

Question No 05

Write short notes on the following:

- a) Family Council
- b) External Financial Resources for Family Businesses
- c) Conflicts Impacting Family Businesses
- d) Family Constitution
- e) Economic and Social Benefits of Family Businesses

(05 Marks Each)

(Total 25 Marks)