University of Kelaniya - Sri Lanka

Centre for Distance and Continuing Education

Faculty of Commerce & Management Studies

Bachelor of Business Management (General) Degree Third Examination (External) – 2024

May - 2026

BMGTE 3025 – Small Business Management

No of questions – Eight (08) Time: 03 Hours

Answer any five (05) questions.

Question No. 01

a) List four core entrepreneurial traits that are important for business success.

(04 Marks)

b) Describe the stages of the entrepreneurial process. Explain how an entrepreneur moves from idea generation to growth and sustainability.

(08 Marks)

c) Discuss two (02) major issues and challenges faced by entrepreneurs in the 21^{st} century with relevant examples.

(08 Marks)

(Total 20 Marks)

Question No. 02

a) List four (04) importances of management for a small business.

(04 Marks)

b) Describe the process of selecting a business project and describe each step with suitable examples.

(08 Marks)

c) Discuss the factors that influence the selection of a business project with the relevant examples.

(08 Marks)

(Total 20 Marks)

Question No. 03

a) Write four (04) importances of a financial plan for a small business.

(04 Marks)

b) Discuss the major elements of financial planning for a new venture, including startup costs, sources of finance, sales forecasts, operating expenses, and cash flow analysis.

(08 Marks)

c) Identify three internal or external risks faced by small businesses and explain suitable mitigation strategies that entrepreneurs can use to minimize these risks.

(08 Marks)

(Total 20 Marks)

Question No. 04

State whether you agree or disagree with the following statements and justify your answers with relevant explanations and examples.

a) Small businesses do not need sustainability and Corporate Social Responsibility (CSR) practices because these are only important for large corporations.

(05 Marks)

b) Environmental responsibility initiatives such as recycling, energy efficiency, and sustainable sourcing only increase costs for small businesses and provide no long-term benefits.

(05 Marks)

c) Short-term growth strategies are more important than long-term growth strategies for the success of a small business.

(05 Marks)

d) Strategic partnerships and global expansion create more opportunities than risks for small businesses.

(05 Marks)

(Total 20 Marks)

Question No.05

a) Define a "Small Business" and briefly explain any (03) three quantitative criteria commonly used to classify them.

(04 Marks)

b) Compare a "Small Business" with an "Entrepreneurial Venture" focusing on differing goals regarding growth, innovation, and the owner's ultimate objectives.

(08 Marks)

c) Small businesses are often described as being "complementary to large businesses." Critically evaluate this relationship.

(08 Marks)

(Total 20 Marks)

Question No. 06

a) List any two (02) advantages and disadvantages each for sole proprietorship and partnership business.

(04 Marks)

b) Define "Unlimited Liability " and explain why it creates a significant risk to sole traders ?

(08 Marks)

c) Evaluate the importance of choosing the correct legal form of business, for its success.

(08 Marks)

(Total 20 Marks)

Question No.07

a) Define "Globalization" and list two (02) positive impacts it can have on a national economy.

(04 Marks)

b) Discuss any four (04) constraints that small businesses face when trying to compete in a globalized market using suitable examples.

(08 Marks)

c) "Globalization leads to both cultural homogenization and sovereignty concerns." Evaluate this statement from the perspective of a local small business owner emphasizing on strategies to overcome them.

(08 Marks)

(Total 20 Marks)

Question No.08

a) List down any two (02) types of Intellectual Property (IP) protection and state what each one specifically protects.

(04 Marks)

b) "The Legal Protection Process is not a one-time event, but a continuous cycle of monitoring and renewal". Explain the "Legal Protection Process".

(08 Marks)

c) Critically examine how the understanding of legal considerations and IP protection can act as a strategic shield against business threats in the "Digital Age."

(08 Marks)

(Total 20 Marks)