



# University of Kelaniya – Sri Lanka

## External Examinations Branch

Faculty of Commerce and Management

### Bachelor of Business Management (General) Degree Third Examination – (External) 2009 October 2010

#### BMGT E 3025 – Small Business Management

No. of Questions: 06

Time: 03 hours

**Answer any five (05) questions.**

- (01) (a) "Enterprise in which the number of employees are less than 10 is considered as small and medium enterprise". Is the above statement true? Explain with relevant definitions.  
(04 marks)
- (b) SMEs (Small and Medium Enterprises) have special characteristics. What are those?  
(04 marks)
- (c) "Countries such as South Korea, Taiwan, ..... etc base their economic development on SME sector. Sri Lanka also can solve many economic and social problems by developing SMEs". Do you agree with this statement? Justify your answer.  
(12 marks)  
(Total 20 marks)
- (02) (a) "Entrepreneurs are innovators". Explain this statement using relevant definitions.  
(05 marks)
- (b) "Entrepreneurs are born, not created". Do you agree with this statement? Discuss.  
(05 marks)
- (c) Explain Entrepreneurship growth process.  
(05 marks)
- (d) Illustrate how does entrepreneurial development cycle help to entrepreneurs.  
(05 marks)  
(Total 20 marks)
- (03) (a) How do the following scenarios become important to SMEs? Explain with referring business environment.  
(i) Victory of war in Sri Lanka in May 2009 created a political stability for investors.  
(03 marks)

(ii) Imposing taxes on foreign imported goods will protect local products.  
(03 marks)

(iii) The government provides many facilities such as water, electricity, highways ..... etc, for industrial villages.  
(03 marks)

(iv) Many people may hesitate to start new business due to social and cultural attitudes.  
(03 marks)

(b) "Changes in the business environment offer more opportunities for entrepreneurs". Do you agree with this statement?. Describe it by using sources of opportunities.

(08 marks)

(Total 20 marks)

(04) Explain, how do the following factors become important in creating a new venture.

(a) Selecting the location & infrastructure facilities.

(b) Machinery and equipments.

(c) Sources of technology.

(d) Managing human resources.

(20 marks)

(05) (a) Why do we prepare a business plan? Explain.

(04 marks)

(b) What are the elements of a business plan. Describe each of them in a assumed business.

(16 marks)

(Total 20 marks)

(06) (a) What are the ways of identifying new business opportunities?.

(04 marks)

(b) Explain the process of screening business ideas.

(10 marks)

(c) What are the importance of SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis? Explain with examples.

(06 marks)

(Total 20 marks)