



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) – 2012
June/ July - 2015

BMGT E 3025 – Small Business Management

No of questions – 06

Time: 03 Hours

Answer any five (05) questions only.

- (01) a) "Number of employees of an organization" is the only one criteria to identify small businesses." Do you agree with this statement? Explain by using different definitions.
(05 marks)
- b) What are the characteristics of small scale businesses (SMEs)? Explain.
(05 marks)
- c) SMEs do not play a considerable important role in the economy in developing countries. Hence, it is not necessary to upgrade this sector". Critically evaluate this statement.
(10 marks)
- (Total 20 marks)
- (02) a) State the difference between "inventor" and "innovator" with suitable examples.
(04 marks)
- b) Describe the dominant characteristics that are found in successful entrepreneurs.
(06 marks)

c) What do you think, whether entrepreneurs are born or whether they can be developed? Critically discuss.

(05 marks)

d) Briefly explain the entrepreneurial growth process.

(05 marks)

(Total 20 marks)

(03) a) "Micro environment is the heart of a business." Briefly discuss the variables of the micro environment.

(10 marks)

b) Macro environment consists of variables that have a positive or negative impact outside the business. Identify how the below mentioned variables affect on a business.

- I. Inflation
- II. Social attitudes
- III. Weather and climatic conditions
- IV. Nature of technology
- V. Political stability.

(2 x 5 = 10)

(Total 20 marks)

(04) a) Illustrate descriptively the process of screening business opportunities.

(13 marks)

b) What is the importance of SWOT analysis? Explain with examples.

(07 marks)

(Total 20 marks)

(05) a) What are the failures of SMEs? Describe.

(10 marks)

b) Present suitable solutions for them.

(10 marks)

(Total 20 marks)

(06) a) What is a project report? Explain.

(04 marks)

b) Discuss the importance of the project report for a new business.

(04 marks)

c) Explain the following components of a project report.

- I. Marketing feasibility
- II. Technical feasibility
- III. Material feasibility
- IV. Financial feasibility

(3 x 4 = 12 marks)

(Total 20 marks)