

**THE OPEN UNIVERSITY OF SRI LANKA
FACULTY OF MANAGEMENT STUDIES
ADVANCED CERTIFICATE IN ENTREPRENEURSHIP AND SMALL
BUSINESS MANAGEMENT (ESBM) PROGRAMME
OSC2401: ENTREPRENEURSHIP
FINAL EXAMINATION – 2023/2024**



DURATION – TWO (02) HOURS

DATE: 11th August 2024

TIME: 01.30 p.m. – 03.30 p.m.

Instructions:

Answer all questions. Answers should be methodical and focused

1. Carefully read this case study and provide answers to questions below.

Shani, a passionate baker with years of experience, dreams of turning her hobby into a successful business. She loves experimenting with different recipes and has received compliments from friends and family for her delicious treats. With encouragement from loved ones, Shani decides to start a home-based bakery business. Shani begins by conducting market research to understand the demand for baked goods in her local area. She visits markets, local bakeries, and conducts online surveys to gather information about customer preferences and pricing trends. After analyzing the market research data, Shani identifies a niche for high-quality, artisanal baked goods, focusing on custom cakes, cupcakes, and specialty pastries. She decides to differentiate her business by offering unique flavor combinations and personalized designs tailored to each customer's preferences. To start her business, Shani creates a business plan outlining her goals, target market, product offerings, pricing strategy, and marketing plan. She also researches the legal requirements for operating a home-based food business, including obtaining necessary permits and licenses. Next, Shani sets up her home kitchen with the necessary equipment and ingredients to start baking. She invests in high-quality baking tools, such as mixers, ovens, and decorating supplies, to ensure the quality of her products. Additionally, she sources fresh, locally sourced ingredients to use in her recipes. To attract customers, Shani creates a professional-looking website and social media profiles to showcase her products and share behind-the-scenes glimpses of her baking process. She also offers promotions and discounts to encourage repeat business and referrals from satisfied customers. As orders start coming in, Shani focuses on providing excellent customer service and delivering fresh, delicious baked goods on time. She maintains clear communication with her customers, addressing any questions or concerns promptly and professionally. Over time, Shani's home-based bakery business grows steadily, thanks to positive word-of-mouth referrals and repeat customers. She continues to innovate with new recipes and designs, expanding her product line to meet the evolving needs and preferences of her customers.

- a) What motivated Shani to start her home-based bakery business, and how did her prior experience contribute to her decision?
- b) What methods did Shani use to gather information about the market before starting her bakery, and how did she analyze the gathered information?
- c) What brand name and vision statement would you recommend for Shani's business?
- d) How did Shani identify her niche market for artisanal baked goods, and what strategies did she employ to differentiate her business from competitors?
- e) Outline the key components of Shani's business plan, including her goals, target market, product offerings, pricing strategy, and marketing plan.
- f) What steps did Shani take to ensure legal compliance for operating a home-based food business, and why is this important?
- g) Discuss how Shani's customer acquisition and retention strategies, including her use of a professional website, social media, promotions, and discounts, contribute to the growth of her business.
- h) Based on the information provided about Shani's business, what are the potential strengths, weaknesses, opportunities, and threats she may encounter in her business venture?

(8 x 5 = 40 Marks)

2. a) Explain the various types of entrepreneurs. (08 Marks)

- b) "To study the entrepreneur is to study the main figure in economic activity". Discuss the role of entrepreneurship in economic development of a country with reference to above statement. (12 Marks)

3. a) What are the new recent trends in position of small-scale businesses in Sri Lanka? (08 Marks)

- b) Discuss the significance of women entrepreneurship and highlight the different government schemes in Sri Lanka aimed at promoting women entrepreneurship. (12 Marks)

4. Provide short notes on following

- a) Entrepreneurial mindset
- b) Entrepreneurial ecosystem
- c) Innovative business model
- d) Benefits of social media for small businesses
- e) Collaborative entrepreneurship for local economic development

(4 x 5 = 20 Marks)