The Open University of Sri Lanka Faculty of Engineering Technology

Department of Electrical & Computer Engineering

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Study Programme	: Bachelor of Software Engineering Honours
Name of the Examination	: Final Examination
Course Code and Title	**: EEM3366 Introduction to Business Studies**
Academic Year	: 2021/2022
Date	: 19th June 2022
Time	: 1000 -1300hrs
Duration	: **3 hours**

General Instructions

1. Read all instructions carefully before answering the questions.
2. This question paper contains five (**05**) questions. **First** Question is **Compulsory**. Choose **three (3) questions** from the remaining.
3. Answers should be in clear handwriting.

Case for Question 1: Gayan is planning to manufacture electrical bicycles (eBic) as a solution for current fuel crisis. He believes his design is unique, efficient, and affordable. Gayan wanted to start the company with the help of his friends. During his feasibility study he identified below points.

- Assembly points will be available to assemble parts of the bicycle.
- Assembly lines and each assembly point will add different components and at the last point of the assembly line, quality testing will be conducted.
- When quality test is passed, the finished eBic will be available for the market.
- Product line will be carried out with the help of humans and machines.
- JIT philosophy will benefit the business in the long run.

Question 1 – Compulsory [40 Marks]: Gayan has hired you as the operations manager and he wants your recommendation and expertise knowledge in operations management.

1. Identify and list down **five** (5) operational business processes that must be considered. (5 Marks)
2. List down **four (4)** key stakeholders from this case study. (2 Marks)
3. Conduct a SWOT analysis for the given case. (12 marks)
4. If Gayan wants to market the product online what kind of obstacles he would come across. Identify **four** (4) obstacles in startup business. (4 marks)
5. What is the best production method that Gayan can use for his business? Justify your answer. (6 Marks)
6. Name **two** (2) advantages and **two (2)** disadvantages of the production method you recommended above. (4 Marks)
7. What does JIT stand for? (1 mark)
8. As an inventory management method, list down **three** (3) benefits of JIT that Gayan can have. (6 Marks)

Question 2 [20 Marks]

1. Briefly explain the term "Marketing", indicating it's importance. (3 Marks)
2. "A company cannot serve all customers in a broad market as customers are very diverse in their expectations in buying products and services"

    a) Who is "the customer"? (1 Mark)
    b) What is "the Market"? (1 Mark)
    c) Briefly explain the basis of Marketing Segmentation, at least by providing two variables for each segmentation. (5 Marks)

3. Assume that you are the Marketing Manager of the eBic Company. You are responsible for developing, implementing, and executing strategic marketing plans for eBic company to attract potential customers and retain existing ones. Briefly explain how you can use marketing mix variables. (10 Marks)

Question 3 [20 Marks]

Nuwan started a business that manufactures ladies' wear as a sole trader. He wants to expand his business operation and expects to issue shares to the public.

1. Suggest the most suitable business type for expanding Nuwan's Business (1 Mark)
2. List down **three** (3) advantages and disadvantages of sole trader and new business type of Nuwan? (6 Marks)
3. What are the threats that Nuwan needs to face when expanding his business under the current economic situation in Sri Lanka? Critically evaluate **three** (3) factors. (6 Marks)
4. Why do business organizations consider their customer as a king? Explain briefly (7 Marks)

Question 4 [20 Marks]

Sahan Pansilu recently passed out from XYZ university. He is aware of the competitiveness in the job market. He is determined to start his career as a management trainee in a reputed organization as he believes it will pave the path for a good career. He plans to pursue his Masters in about five years' time too.

1. Identify **three** (3) types of private sector organizations Sahan could explore and briefly explain each category. (6 Marks)
2. What is the difference between profit and non-profit organizations? Give an example for each category. (4 Marks)
3. Explain the term 'motivation' using suitable **three** (3) theories. (5 Marks)
4. Use the motivation framework and elaborate on what motivates Sahan to pursue his higher studies. (5 Marks)

Question 5 [20 Marks]

1. Every business has a working capital, used it to pay for expenses. Briefly explain the working capital and illustrate the Working Capital Cycle. (5 marks)
2. There are two Sources of Finance. They are the Internal and the External sources. State the **three** (3) parts of internal sources of funds and briefly describe each source (3 Marks)
3. Briefly describe following terms. (4 Marks)
   a) Pay-back method b) Average Rate of Returns (ARR)
   c) Discounted cash flows (DCF) d) Break-Even Analysis
4. ABC is a Manufacturing company located in Colombo. The following table contains their assets and liabilities for the month of January.

Item	Amount in Rs
Cash in hand	50000.00
Account receivable	100000.00
Account Payable	25000.00
Inventories	50000.00
Short term borrowings	7000.00
Accrued liabilities	100000.00

a) Calculate the working capital for the month of January (5 Marks)
b) Calculate the current ratio for the month of January (3 Marks)