PAN AFRICA CHRISTIAN UNIVERSITY

END OF SEMESTER EXAMINATION FOR THE DEGREE OF

MASTER OF BUSINESS ADMINISTRATION

JANUARY-APRIL 2017

CAMPUS: ROYSAMBU

DEPARTMENT: BUSINESS

COURSE CODE: ENT604

COURSE TITLE: Strategic Entrepreneurship

EXAM DATE: TUESDAY 4th APRIL 2017

TIME: 9.00AM – 12.00PM

INSTRUCTIONS

- Read all questions carefully before attempting.
- Write your **student number** on the answer booklet provided.
- Answer question **ONE (1)** and any other **Four** Questions

QUESTION ONE: (Compulsory

Keeping Things Going

The Anglo-Ofrain Company has grown 115 percent in the last year and 600 plus percentin the last three years. A large portion of this growth is attributable to George Orail'sphilosophy of hiring the best possible computer systems people and giving them thefreedom they need to do their jobs.Most of George's personnel operate out of work teams that analyze, design, andimplement computer systems for clients. The way in which the process works is this:

First the company will get a call from a potential client indicating that it needs to have acomputer system installed or special software written for its operations. George willsend over one of his people to talk to the client and analyze the situation. If it turns outthat the Anglo-Ofrain Company has the expertise and personnel to handle the job, theclient will be quoted a price. If this price is acceptable, the Anglo-Ofrain group will beassigned the project.An example of a typical project is the client who called three weeks ago and wanted topurchase five personal computers for use by the firm's engineering staff. The Companywanted these machines hooked up to the main computer. Additionally, the firm wantedits computer-aided design software to be modified so that the engineers could see theircomputer-generated drawings in a variety of colors, not just in monochrome. The staffpersonnel designed the entire system and modified the software in ten working days.George realizes that the growth of his enterprise will be determined by two factors. Oneis the creativity and ingenuity of his work force. The other is the ability to attract talentedpersonnel. "This business is heavily labor-intensive," he explained. "If someone wants a computer system installation,that may take 100 man hours. If l don't have the people tohandle the project, l have to turn it down. My expansion is heavily dependent on hiringand training talented people. Additionally, l need more than just hard workers. I needcreative people who can figure out new approaches to handling complex problems. If lcan do these two things, I can stay a jump ahead of the competition. Otherwise, I won'tbe able to survive."In dealing with the above-mentioned key factors for success, George has done threethings. First, he has instituted a bonus system that is tied to sales; these bonuses areshared by all of the personnel. Second, he gives quarterly salary increases, with thegreatest percentages going to those employees who are most active in developing newprograms and procedures for handling client problems. Third, he has "retreats" every sixmonths in which the entire staff goes away for a long weekend to a mountain area wherethey spend three days discussing current work-related problems and ways of dealing withthem. Time is also devoted to social events and to working on developing an esprit decorps among the personnel.

Required

a) In what phase of the venture life cycle is George's firm currently operating? Justify (10 marks)

b) In what ways are George's actions helping to build an adaptive firm? Discuss (12 marks)

c) If George's firm continues to grow, what recommendations would you make for future action? (10 marks)

d) How can George use Resource Based View to achieve competitive advantage as the firm continues to grow? (8 marks)

QUESTION TWO

a) Explain the major differences between corporate and entrepreneurial management (5 marks)

b) Creativity and Innovation are best nurtured in a climate which encourages the exploration of newideas and new ways of doing things. Describe the practices which would foster creativity in organization. (10 marks)

QUESTION THREE

a) Distinguish between offensive and defensive strategies (5 marks)

b) Discuss the principle aspects that investors consider when reviewing the viability of investing in an existing business (10 marks)

QUESTION FOUR

Many barriers prevent knowledge from being transferred between parts of a firm. Describe these barriers, prescribing how they could be overcome. (15 marks)

QUESTION FIVE

a) By use of appropriate examples, explain how use of technology can facilitate entrepreneurship development (9 marks)

b) By use of specific firm types, explain how you would match up firm characteristics and forms of financing. (6 marks)

QUESTION SIX

a) Discuss any six key elements of entrepreneurial leadership (12 marks)

b) Describe any four day today challenges of a growing firm (3 marks)