

MNE3701

October/November 2017

Entrepreneurship and Small Business Management

Duration 2 Hours

70 Marks

EXAMINERS

FIRST

MRS MJ PHILLIPS

SECOND

MS NM MMAKO

EXTERNAL

DR MN MOOS

Closed book examination

This examination question paper remains the property of the University of South Africa and may not be removed from the examination venue

This paper consists of 21 pages

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INSTRUCTIONS:This paper comprises two sections, namely **section A** and **section B**.**Section A**

- This section is **compulsory**.
- The total for this section is **30 marks**
- The questions must be answered on the **examination paper**, in the spaces provided

Section B

- Section B comprises **three** questions
- You must answer **any two** of the three questions
- Each question is worth **20 marks**
- The total for this section is **40 marks**
- Indicate the numbers of the questions you have answered on the **cover** of this book

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SECTION A

- This section is compulsory.
- Read the following case study and answer **ALL SEVEN** questions in this section
- Use the space provided below each question for your answer
- The total for this section is **30 marks**

Pinhole Camera and Optics

Beverly is the newly appointed vice president of strategy for Pinhole Camera and Optics Inc a medium-sized privately owned manufacturing firm. The company, now fourteen years old, had experience, up until three years ago rapid growth through developing new products and optical manufacturing processes. Beverly believes that in recent years the company's market position has slipped because Pinhole has been unable to react quickly enough to changing market requirements and increasing competition. The company is divided into the traditional functional departments of research, marketing sales, production and so on. New product development projects are managed by dividing responsibility between the managers of the departments. Beverly believes this is the greatest contributor to Pinhole's inability to identify and respond to market opportunities and she would like to establish a new position, manager of new products for integrating departments during product development projects.

The owner of the company, Ovid Pinoli, disagrees. He contends that the managers of the functional departments, most of whom have been with the company since its start, are excellent managers, really know their business and usually are able to work together. He feels there is no need to establish the position although he wonders where such a person would come from. Mr Pinoli instead suggests that for each new project one of the current department managers should be picked to coordinate the efforts of all the departments. The manager would be selected from the department that has the biggest role in the project in other words according to whether the project primarily involves research, marketing or production.

Beverly is convinced that Mr Pinoli's idea will not improve the situation. She decides to prepare a formal written proposal that will address the pros and cons of Mr Pinoli's suggestions and persuade him that someone other than a functional department manager must fill the new position, manager of new products. She also wants to describe how Pinoli's new development projects could be better organised and staffed.

(Source Co, M J , Groenewald, J , Mitchell, B., Nayager, T , van Zyl, J , Visser, K , Train, W & Emanuel, B, 2007, Entrepreneurship: Fresh Perspective, Pearson Prentice Hall, South Africa)

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Question 1.1

Do you agree with Beverly's suggestion to establish a position for manager new projects?
Motivate your answer (2)

Question 1.2

If Mr Pinoli accepts her suggestion, which employment source should he use to find a manager? Quote from the case study to support your answer (2)

Question 1.3

Describe your choice of employment source in 1 2 above and indicate the pros and cons of this source. (3)

Question 1.4

In which stage of the business cycle do you think is Pinhole currently in? Quote from the case study to support your answer. (2)

Question 1.5

This new manager of projects will have to set up a process for new product development. Describe the process of new product development in detail (8)

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ROUGH WORK PAGE 1
(Will not be marked)

[TURN OVER]

ROUGH WORK PAGE 2
(Will not be marked)

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