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MBAH 501

Third Semester M.B.A. Degree Examination, December 2017
(Choice Based Credit System)
BUSINESS ADMINISTRATION
Entrepreneurship and Small Business

Time : 3 Hours

Sri Dharmasthala Manjunatheshwara
College of Business Management, Mangalore
Post Graduate Centre for Management
Studies and Research Library

Max. Marks : 70

SECTION – A
(Compulsory)

Note : Answer the following question and the answer should **not** exceed **six** pages. (1×15=15)

1. Describe elaborately about entrepreneurship development training and the role of family and society in the Entrepreneurship development.

SECTION – B

Note : Answer **any five** of the following questions. **Each** question carries **eight** marks. Answer to the question should **not** exceed **five** pages. (5×8=40)

2. Differentiate between Entrepreneur and Manager.
3. Describe the entrepreneurial strategy matrix and explain why it is effective for entrepreneurs.
4. Discuss the Government of India policy measures to promote Women entrepreneurship in India.
5. Identify and discuss three of the most important personal characteristics that help an entrepreneur identify and describe customers.
6. In a franchising agreement, what is the franchisee often called on to do ? What responsibility does the franchisor assume ?

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7. Explain about the contents and formulation of project report.
8. Explain the importance and significance of preventing sick units.
9. Define the term due diligence. How is it applied to the acquisition of an existing venture ?

SECTION – C
(Compulsory)

Note : Read the following **case study** and the answer should **not** exceed **six** pages.

(1×15=15)

10. When Carmine Guion started his retail company three years ago, he had more than enough working capital to keep operations going. This abundance of money helped him grow rapidly and today he has outlets in 16 states. In order to become larger, however, he is going to have to secure outside funding. Carmine has decided to issue stock. The investment house advising him has suggested that he float an issue of 1 million shares at \$5 each. After all expenses, he will clear \$ 4.50 per share. Carmine and his wife intended to hold on to 250,000 shares and sell 750,000 shares. Carmine feels that, between his shares and those that will be bought by his relatives and friends, he need have little concern about the firm's being taken over by outside investors.

Carmine talked to his father, who agreed to buy 10,000 shares at \$5 each. Carmine's two uncles are each buying 5,000 shares at \$5 each. A group of 20 other relatives is going to buy an additional 5,000 shares.

Earlier this week, Carmine received some good news from his accountant. His profit estimate for next year is going to be at least double what he had previously estimated. When Carmine shared this information with the investment brokers, they were delighted. "When this news gets out", one of them told him, "your stock will rise to between \$13 and \$15 per share. Anyone who gets in on the original offering at \$5 will do very well indeed."



Carmine has told only his father and two uncles the good news. Based on this information, the three of them have decided to buy three times as much stock as previously planned. "When it rises to around \$12," his father said, "i will sell 10,000 shares and hang on to the other 20,000." His uncle intended to do the same thing. Carmine is delighted. He also intends to sell some of his other relatives about the improved profit picture prior to the time the initial stock offering is made.

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Questions :

- 1) Has Carmine been unethical in his conduct ? What is your reasoning ?
 - 2) Is it ethical for Carmine to tell his other relatives the good news ? Why or why not ?
 - 3) If you were advising Carmine, what would you tell him ? Why ?
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