

FORM TP 2015183



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MAY/JUNE 2015

CARIBBEAN EXAMINATIONS COUNCIL

CARIBBEAN ADVANCED PROFICIENCY EXAMINATION

ENTREPRENEURSHIP

ENTREPRENEURIAL THEORY

UNIT 1 – Paper 02

3 hours

READ THE FOLLOWING INSTRUCTIONS CAREFULLY.

1. This paper consists of SIX mini-case scenarios, TWO from EACH module.
2. Answer ALL SIX questions.
3. EACH question is worth 15 marks.
4. Write your answers in the spaces provided in this booklet.
5. Do NOT write in the margins.
6. If you need to rewrite any answer and there is not enough space to do so on the original page, you must use the extra lined page(s) provided at the back of this booklet. **Remember to draw a line through your original answer.**
7. **If you use the extra page(s) you MUST write the question number clearly in the box provided at the top of the extra page(s) and, where relevant, include the question part beside the answer.**

DO NOT TURN THIS PAGE UNTIL YOU ARE TOLD TO DO SO.

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INSTRUCTION: Read EACH case and answer the questions which follow.

MODULE 1: ENTREPRENEURIAL MINDSET

Case 1: Look Before You Leap

Harry completed his BSc in Computer Science and was fortunate to land a job at an established firm. However, after a few months on the job, he started thinking of going into business for himself. He has decided to talk to a few persons whom he trusts. One friend has told him that he does not have enough luck or money. His father has told him that it is not easy, and that 'we are not born in our family to be entrepreneurs'. Harry who was once excited about his own business venture is now having second thoughts and has had a chat with his best friend, Amir. Amir has recommended that Harry speak to a business expert, but advises that before starting a business, Harry should at least know the business in depth, develop a solid business plan, be able to read and understand the financial statements, manage people well and most of all, know his own strengths and weaknesses.

1. (a) Outline TWO myths of entrepreneurship mentioned in the case.

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[4 marks]

- (b) List FIVE myths of entrepreneurship that are NOT mentioned in the case.

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[5 marks]

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(c) Explain TWO critical success factors of entrepreneurship.

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[6 marks]

Total 15 marks



Case 2: A Child Shall Lead the Way

Mr Brown owned and operated a successful small car parts business. Initially, only the car parts business existed, but an opportunity arose for auto care, which he seized. Soon Mr Brown noticed that the wait for car repairs was long and customers were complaining that the heat made them uncomfortable. Mr Brown's eldest son, Kumar, suggested that repairs be done on an appointment basis so as to respect customers' time. He also suggested the creation of a website for customers to book their appointments at their convenience. Customers without internet access would do the same by calling on the phone. The waiting area would be converted to an enclosed air-conditioned waiting room made of glass where customers could view their ongoing repairs in a comfortable environment. Mr Brown approved his son's ideas and implemented them, resulting in increased sales and happier customers.

2. (a) Identify THREE factors that show that Kumar is creative and innovative.

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[3 marks]

- (b) List FOUR characteristics of an entrepreneur.

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[4 marks]



(c) Outline FOUR key innovations introduced by Kumar.

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[8 marks]

Total 15 marks

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MODULE 2: THE ENTREPRENEURIAL PROCESS

Case 3: From Hobby to Venture

Pixie grew up in the countryside and always had a love for flowers. As a child she often cut flowers and decorated her favourite places at home. As a young adult she moved to the city to complete her studies in business. Immediately, she recognized that there was an absence of flowers in the town and no one was in that business. She discussed this idea in a focus group, sought advice from experts and kept journal/notebook entries. After completion of her studies, she decided to open a flower shop based on the fact that more young persons and couples were moving into the city and would want to purchase flowers. In thinking through the idea she thought that it was important to have a good business concept, be able to clearly identify and access the required resources, be able to implement the actions and most importantly, know how to harvest the venture.

3. (a) Identify from the case TWO methods used by Pixie to generate her business idea.

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[2 marks]

- (b) Outline TWO other methods of generating a business idea.

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[4 marks]



(c) Explain THREE components of the entrepreneurial process.

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[9 marks]

Total 15 marks



Case 4: Under the Next Stone lies a Pot of Gold

John, Sammy and Joan formed a partnership for a bridge construction project. It was agreed that after the completion of the project the partnership would be dissolved by liquidating the assets. They knew that in implementing the project, they would need to develop and implement the concept, monitor the progress, pay back the resource providers, reinvest and expand as necessary and most importantly, achieve the stated performance goals. The team had second thoughts about liquidating the assets as their exit strategy, even though they had signed the contract. They began exploring the benefits of selling the venture, securing other contracts and going public.

4. (a) Using information from the case, state THREE possible harvesting options.

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[3 marks]

- (b) Explain TWO benefits to the partners of liquidating the venture.

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[6 marks]



(c) Outline THREE elements in implementing and managing the business venture.

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[6 marks]

Total 15 marks

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MODULE 3: CREATIVITY AND INNOVATION

Case 5: Cultural Explosion

Carnival in the Caribbean can be described as one of ‘the greatest shows on earth’. With its spectacle of colours, music, food and dance, it showcases innovative and creative local talent. In this festivity there are costumes, steel bands, stilt walkers and Caribbean foods (‘doubles’, pelau, bakes, fishcakes) which generate substantial enterprises and profits. Given that carnival is competitive, participants are constantly innovating. However, these innovations are sometimes not protected. There is little use of intellectual property rights, branding, trademarks, patents, copyrights and trade secrets. With increasing concern for limited protection, there has been a call for policy support at the micro and macro levels.

5. (a) Differentiate between ‘creativity’ and ‘innovation’.

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[4 marks]



(b) Explain THREE ways in which the Caribbean ideas in the case could be protected.

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[9 marks]

(c) Identify TWO areas of policy support (macro/national level) for innovators in the Caribbean.

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[2 marks]

Total 15 marks

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Case 6: Pan explosion

More than 50 years ago in Trinidad and Tobago, as a form of stress relief in times of depression, the people used to make merry on the streets using a steel oil drum, which led to the birth of the steel pan. In the year 2006, Salmon Cupid, a Trinidadian introduced his virtual prototype of the steel pan called the E-pan. The E-pan employs state of the art technology in music form. Mr Cupid was granted a utility patent on his creation in 2006, which protects the unique innovation of technology of steel pan music and not the innovation of the steel pan. Mr Cupid went on to develop and produce an iTunes app for persons wanting to access information on playing and learning about the steel pan.

6. (a) Explain ONE importance of innovation highlighted in the case.

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[3 marks]

- (b) Outline the THREE sources of innovation within the case.

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[6 marks]



(c) Explain why Mr Cupid used a patent for the protection of his innovation and NOT branding.

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[6 marks]

Total 15 marks

END OF TEST

IF YOU FINISH BEFORE TIME IS CALLED, CHECK YOUR WORK ON THIS TEST.

