

NATIONAL OPEN UNIVERSITY OF NIGERIA
91, CADASTRAL ZONE, UNIVERSITY VILLAGE, JABI, ABUJA
FACULTY OF MANAGEMENT SCIENCES
2023_2 EXAMINATIONS_

COURSE CODE: ENT 305

CREDIT UNIT: 2

COURSE TITLE: BUSINESS OPPORTUNITY SCOUTING AND EVALUATION

TIME ALLOWED: 2 HOURS

INSTRUCTIONS:

- 1. Indicate your Matriculation Number clearly**
- 2. Attempt questions one (1) and any other two (2) questions.
Three questions in all**
- 3. Question one (1) is compulsory and carries 30marks,
while the other questions carry 20marks each.**
- 4. Present all your points in coherent and orderly Manner**

1a. With clear examples differentiate between Creative Entrepreneurship and social Entrepreneurship? **20 Marks**

1b. Enumerate and explain any five (5) external problems that affect the small scales enterprises in our society? **10 Marks**

2. What do you understand by business plan, and what are the main features of a good and well written business plan? **20 Marks**

3. Identify an opportunity before going into any business is regarded as one of the key tools that lead to the success of that business. As a student of Entrepreneurship support or reject this argument **20 Marks**

4. Write an explanatory note on the following **20 Marks**

- I. Management by Objective (MBO)
- II. Total Quality Management (TQM)
- III. Team-Building Technique (TBT)
- IV. Strategic Management (SM)

Cash in hand	100		40	
Current Liabilities				
Trade payables	(1,500)		(1,600)	
Bank overdraft	----		(350)	
		9,400		11,200
Equity				
Capital	9,000		9,400	
Net profit for the year	3,200		3,400	
Less drawings	(2,800)	9,400	(1,600)	11,200

Required:

- (a) From the Income Statement above, calculate the Gross Profit and Net Profit for 2020 and 2021 respectively. Show workings.
- (b) From the Balance Sheet above, calculate Total Fixed Assets, Total Current Assets, Total Current Liabilities and Net Current Assets for 2020 and 2021 respectively.
- (c) Use the following ratios to compare the financial performance from 2020 and 2021 of Kayode Musa firm.
- (i) Quick ratio
(ii) Current ratio
(iii) Return on Investment
(iv) Gross profit ratio

30 marks

2a. For a firm to establish a Dividend Policy, some tradeoffs exist. Briefly discuss these tradeoffs.

8 marks

b. In the light of the existing tradeoffs, discuss any four (4) determinants of Dividend Policy.

12 marks

3a) Briefly discuss Working Capital Management

8 marks

b) Discuss the compositions of the two (2) components of Working Capital

12 marks

4a. A firm has an outstanding bond with a ₦1,000 par value that is convertible at ₦20 per share of common stock. If the current market value of common stock per share is ₦30, what is the conversion value of the bond?

5 marks

b. The motivation for holding inventory varies depending on the type of inventory and a manufacturing firm may have inventories at different stages in the production process. Explain any five (5) motives for which a manufacturer holds inventory.

15 marks