

The Open University of Sri Lanka  
Faculty of Engineering Technology  
Department of Electrical and Computer Engineering



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| Study Programme         | : Bachelor of Software Engineering Honours        |
| Name of the Examination | : Final Examination                               |
| Course Code and Title   | : <b>EEM3366 INTRODUCTION TO BUSINESS STUDIES</b> |
| Academic Year           | : 2023/24   |
| Date                    | : 18 <sup>th</sup> August 2024                    |
| Time                    | : 1330 - 1630hrs                                  |
| Duration                | : <b>3 hours</b>                                  |

**General Instructions**

1. Read all instructions carefully before answering the questions.
  2. This question paper consists of **Three (3)** questions on **Three (3)** pages.
  3. Answer **all** questions.
  4. Question 1 carries 40 marks. Questions 2 and 3 carry 30 marks in each.
  5. Answers should be written in the book, and each question should commence from a **new page**.
  6. This is a Closed Book Test (**CBT**).
  7. Answers should be in clear handwriting.
  8. Do not use the red color pen.
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## (Essay Questions) Answer All Questions

**Answer All questions referring to the business case given below.**

### **Business Case:**

Mrs. Silva commenced a small home-based craft business in Galle, Sri Lanka in 1995. It was primarily creating handmade pottery and textiles. Initially, this business functioned on a small scale, selling items at local fairs and markets as a means of supporting her family. Ms. Priya Silva, her daughter and a recent graduate from the Faculty of Business at the University of Peradeniya, saw an opportunity to turn this modest venture into a profitable and sustainable business. Realizing the potential for growth in the niche market of handmade crafts, Ms. Priya Silva decided to apply her business knowledge to expand and modernize the enterprise. Her vision was to create a brand known for high-quality, unique craft products while maintaining the traditional techniques that her mother had perfected.

### **Question 1 [40 marks]**

- A. What was the type of business Mrs. Silva operated in 1995? [2 Marks]
- B. What motivated Ms. Priya Silva to expand and modernize the business? [2 Marks]
- C. Ms. Priya Silva has defined the Vision and Mission of the Business. Can you explain the difference between Vision and Mission in business? [6 Marks]
- D. Identify and explain the initial steps Ms. Priya Silva would have taken to transform the business. [6 Marks]
- E. What is the opportunity cost for Ms. Priya Silva when she decided to invest in expanding and modernizing the business instead of pursuing a different business venture or career path? Explain your answer after explaining the term 'Opportunity Cost'. [9 Marks]
- F. Discuss how Mrs. Priya Silva could use digital marketing techniques to enhance sales. Include specific strategies and explain how they would benefit the business. In your answer, you need to list 3 digital marketing techniques, and their use in the given case. [9 Marks]
- G. Briefly explain the term "product life cycle." How can Ms. Priya Silva apply the concept of the product life cycle to develop marketing strategies for different stages of the products? [6 Marks]

## Question 2 [30 marks]

- A. Briefly explain the terms job production, batch production, flow production, and mass customization production. Provide examples for each. [12 Marks]
- B. Considering the growth and expansion of Ms. Priya Silva's craft product, which production method should Ms. Priya Silva adopt for the various product lines, and why? [6 Marks]
- C. Ms. Priya Silva wanted to create a work environment that encourages motivation and engagement among her employees. Considering the unique challenges and opportunities in the craft manufacturing industry, answer the following questions.
- i. As a business consultant for the project, briefly explain the most suitable two types of motivational theories. [6 Marks]
  - ii. Select one motivational theory and explain how it can be used to satisfy Ms. Priya Silva's requirement. [6 Marks]

## Question 3 [30 marks]

- A. Explain the need for finance in Mrs. Priya Silva's company. Discuss how Mrs. Priya Silva can use different sources of finance to support the growth and expansion of her business. [10 Marks]
- B. Calculate the working capital considering the values given below; [10 Marks]
- i. Cash in hand - Rs. 40,000/=
  - ii. Account Receivable - Rs. 30,000/=
  - iii. Account Payable - Rs. 50,000/=
  - iv. Inventories - Rs. 90,000/=
  - v. Short-term borrowings - Rs. 10,000/=
  - vi. Accrued liabilities - Rs. 20,000/=
- C. Explain the profit formula and its components. How can Ms. Priya Silva use the profit formula to analyze the financial performance of the company? [10 Marks]

**\*~ End of the Paper~\***