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EASTERN UNIVERSITY, SRI LANKA
FACULTY OF COMMERCE AND MANAGEMENT
THIRD YEAR FIRST SEMESTER EXAMINATION IN
BACHELOR OF BUSINESS ADMINISTRATION – 2012/2013
REPEAT/RE-REPEAT

(APRIL, 2015)

MGT 3033 – BUSINESS ENVIRONMENT

Answer all five questions

Time: Three hours

Q1. Read the Case Study and answer the following Questions based on it.

Women Entrepreneurs in Sri Lanka

Background

Women owned businesses in South Asia are growing rapidly, and in Sri Lanka (Moonasinghe, 2000), and entrepreneurship offers tremendous opportunities for women by opening doors to greater self-sufficiency, self-esteem, education, and growth, not only for the women themselves, but also for their families and their employees (Estes, 1999). In the West, women are increasingly turning to entrepreneurship as a way of coping with the 'glass ceiling' that seems to prevent them from reaching top managerial positions in organizations (Morrison *et. al.*, 1987). Others find that entrepreneurship provides them with greater satisfaction and flexibility (Belcourt *et. al.*, 1991). This trend has also been visible in several Asian countries (Licuanan, 1992). Women Entrepreneurship has become a prominent role in Sri Lankan Economy, and there is an imperative necessity to empower women through entrepreneurial activities because of the domestic war and t-sunami hit in 2004 which made more women separated and have become the bread winners of their families. Many government and non-governmental organizations have forwarded much more women empowerment programs during these period and still it is a question where the so called women have been empowered in proper way to nation's development.

Sri Lanka's total population 20.27 million consists of 53% women according to the latest census. The latest Household Income and Expenditure Survey 2009/2010, which was conducted by the Department of Census and Statistics, and the estimates, that, out of five million households in Sri Lanka, 1.1 million (23%) households are headed by women. And, most of the women heading households are in 40-59 age groups, while 50% of them are widows, and 4.5% are reported as never married. And, there are 89,000 widows in North and East of Sri Lanka according to the Ministry of Child Development and Women's Affairs. Female labour force participation rate is still low in Sri Lanka 33.7% of female is half of 66.675 for male (Sri Lanka Labour Force Survey, 2012). Meanwhile total urban population in Sri Lanka is 18% huge remaining in rural areas (Department of Census and Statistics, 2012).

Small and Medium Enterprises (SMEs) in Sri Lanka

In Sri Lanka 90% Small and Medium Enterprises (SMEs) represent economy. The composition of SMEs in Sri Lanka indicates nearly 75% of SMEs are concentrated in food, beverage and tobacco textile/apparel and leather, and mining industries. Among the total employers in Sri Lanka, only 10% of them are women employers. As the *National Policy of Human Resources and Employment*

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observes, most SMEs in Sri Lanka are agriculture based industry. Sri Lanka is predominantly agricultural economy and 82% of the households are still in rural sector. Women constitute the population and valuable resource potential in the agricultural sector of Sri Lanka. In agricultural production, agro-based production, agro-based SMEs is sufficiently available. Entire female participation, nearly 31.7% women are engaging in agricultural sector.

The impact of women's economic empowerment goes beyond the individual level. Research has shown that women are more likely than men to invest a large proportion of their household income in the education, nutrition and well-being of their children. It has been estimated that in emerging economies, women reinvest 90% of their earnings in their families and communities. With the accumulation and enhanced economic security, women improve industrial capacity and spur economic growth, creating new jobs, as well as by expanding the pool of human resources and talents available in the country.

It's also acknowledged that female-operated Small and Medium Enterprises (SMEs) contribute to the demands of the rising middle class - important to Sri Lanka now given the country's move towards an upper middle-income economy. Given the low female labour force participation in the country, fostering women entrepreneurs can be an effective way of capturing the potential in the development process of Sri Lanka.

Concluding Remarks

Despite these obvious gains, gender biases against women are common. As the *National Human Resource and Employment* observes "...there is a gender bias in Small and Medium Enterprises (SMEs) employment. Workers employed in SMEs are predominantly men. New employment practices are needed to correct the above bias". According to the World Bank Surveys for Sri Lanka, regardless of the sizes of the business, fewer women are employed in managerial positions and less women participate in ownership compared with men.

- a) How can women's potentiality contribute to Sri Lanka's economy? Discuss.
- b) Why are women increasingly turning to entrepreneurship? Give reasons.
- c) How can women entrepreneurs cater to the demands of the middle class? Explain.
- d) Why is it important to empower women? Justify your answer with suitable examples.

(Total

Q2.

a) What do you understand by the terms of “business and business environment”?
(04Marks)

b) Discuss characteristics of a business environment with suitable examples. (08 Marks)

c) Suppose that you are in a business, examine the environmental factors which affect it.
(06 Marks)

(Total 18 Marks)

Q3.

a) Define business environmental analysis. (03Marks)

b) What are the tools used in environmental analysis? Briefly describe them.
(07 Marks)

c) Assume that you have started a new business, explain how would you do a SWOT analysis for it?
(08 Marks)

(Total 18 Marks)

Q4.

a) What is multinational enterprise? Give examples. (04Marks)

b) Why multinational enterprise is important to Sri Lanka? Justify your answer with suitable examples. (06Marks)

c) Imagine that you are asked to design strategic management process of a leading multinational enterprise, how would you describe it?
(08Marks)

(Total 18 Marks)

Q5.

a) Can globalization be a solution to poverty? Give reasons. (05Marks)

b) How does globalization impact on Sri Lankan economy? Discuss your answer with current situation. (06 Marks)

c) Suppose that a foreign investor decides to close down his Sri Lankan company. As a manager, would you let him pull out his money for his best? Discuss. (07 Marks)

(Total 18 Marks)