



Høgskolen i Telemark

Fakultet for allmennvitenskapelige fag

SLUTTEKSAMEN FINAL EXAM

Course code:	6057
Course name:	Entrepreneurship
Studypoints for course:	7.5 studiepoeng
Percentage of total grade:	60 %
Exam date:	December 11, 2013
Exam place:	NEW YORK
Time:	14:00 – 17:00
Language:	ENGLISH
Number of pages incl. coverpage:	2
Allowed resources during exam	Dictionary norwegian/english
Special remarks:	None
Number of attachments:	None



ENGLISH:

- 1. (20 POINTS) Describe the difference between the entrepreneurial process and the business plan.**
- 2. (20 POINTS) Using examples from your final project please describe the difference between the concept of planning for the project versus the reality of actually doing your final project.**
- 3. (20 POINTS) Describe what role entrepreneurs play in society and why they are important. Give examples of entrepreneurs and how they have impacted the world we live in today.**
- 4. (10 POINTS) Describe the four types of feasibility analysis and explain why they are important.**
- 5. (10 POINTS) Mort Berkowitz was a guest speaker in class after he finished running the Feast of San Gennaro in New York City. Why is he an important entrepreneur? What does he do? How does his work impact the city?**
- 6. (20 POINTS) Describe what the following financial statements tell us and why they are important.**

Sample Products Co. Income Statement For the Five Months Ended May 31, 2012		
Sales		\$100,000
Cost of goods sold		<u>75,000</u>
Gross profit		<u>25,000</u>
Operating expenses		
Selling expenses		
Advertising expense	2,000	
Commissions expense	<u>5,000</u>	7,000
Administrative expenses		
Office supplies expense	3,500	
Office equipment expense	<u>2,500</u>	<u>6,000</u>
Total operating expenses		<u>13,000</u>
Operating income		<u>12,000</u>
Non-operating or other		
Interest revenues		5,000
Gain on sale of investments		3,000
Interest expense		(500)
Loss from lawsuit		<u>(1,500)</u>
Total non-operating		<u>6,000</u>
Net income		<u>\$ 18,000</u>

A)



Example Company
Balance Sheet
December 31, 2010

ASSETS		LIABILITIES	
Current Assets		Current Liabilities	
Cash	\$ 2,100	Notes Payable	\$ 5,000
Petty Cash	100	Accounts Payable	35,900
Temporary Investments	10,000	Wages Payable	8,500
Accounts Receivable - net	40,500	Interest Payable	2,900
Inventory	31,000	Taxes Payable	6,100
Supplies	3,800	Warranty Liability	1,100
Prepaid Insurance	1,500	Unearned Revenues	1,500
Total Current Assets	<u>89,000</u>	Total Current Liabilities	<u>61,000</u>
Investments	36,000	Long-term Liabilities	
Property, Plant & Equipment		Notes Payable	20,000
Land	5,500	Bonds Payable	400,000
Land Improvements	6,500	Total Long-term Liabilities	<u>420,000</u>
Buildings	180,000	Total Liabilities	
Equipment	201,000		<u>481,000</u>
Less: Accum Depreciation	<u>(56,000)</u>	STOCKHOLDERS' EQUITY	
Prop. Plant & Equip - net	<u>337,000</u>	Common Stock	110,000
Intangible Assets		Retained Earnings	229,000
Goodwill	105,000	Less: Treasury Stock	<u>(50,000)</u>
Trade Names	<u>200,000</u>	Total Stockholders' Equity	<u>289,000</u>
Total Intangible Assets	<u>305,000</u>	Total Liab. & Stockholders' Equity	
Other Assets	<u>3,000</u>		<u>\$770,000</u>
Total Assets	<u>\$770,000</u>		

b)

WH Smith PLC

Group Cash Flow Statement

For the year ended 31 August 2012

£m	Note	2012	2011
Net cash inflow from operating activities	10	115	118
Investing activities			
Interest received		-	-
Purchase of property, plant and equipment		(38)	(36)
Purchase of intangible assets		(5)	(5)
Proceeds on disposal of property, plant and equipment		6	5
Acquisition of business		-	(1)
Net cash outflow from investing activities		<u>(37)</u>	<u>(37)</u>
Financing activities			
Dividend paid		(31)	(29)
Purchase of own shares for cancellation		(50)	(55)
Purchase of own shares for employee share schemes		(2)	(12)
Repayments of obligations under finance leases		-	-
Net cash used in financing activities		<u>(83)</u>	<u>(96)</u>
Net decrease in cash and cash equivalents in year		<u>(5)</u>	<u>(15)</u>
Opening net cash and cash equivalents		41	56
Closing net cash and cash equivalents		<u>36</u>	<u>41</u>

c)