



Uva Wellassa University

Faculty of Management

Degree of Bachelor of Business Management and Entrepreneurship

Year 2 Semester I Examination -December 2008

EMG 252-3 Small and Medium Enterprises Management

1) Study the following case and answer the questions.

Knanamutthu Jebanesan's garden in Periyakulam in North East of Sri Lanka has become a model of courage to many in the area affected by Tsunami as well as the conflict. "Many people visit my garden to see it cherished with green vegetables and bloomed with flowers," says this thirty years old proud proprietor of his one and a half acre land.

A mason and a small scale cultivator by profession, Jebanesan carried on his shoulders the responsibility of his wife and child. Thus, when the tsunami left him with an injured leg and compelled him to give up masonry he had no other way to turn to but cultivation to support his family.

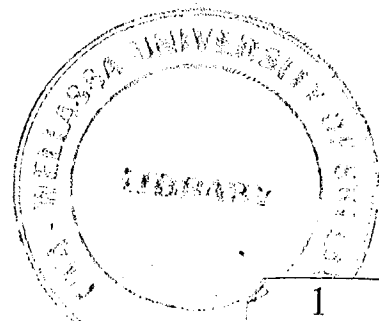
He owned a plot of land and wanted to expand his cultivation. But, "I did not have the necessary agricultural equipments to do so," recalls Jebanesan.

"I approached the Caritas- EHED Trincomalee submitting all documents in support of my losses due to the Tsunami and they were kind enough to equip me," says Jebanesan. Under the animation and livelihood program of Caritas Sri Lanka, he received a grant of SLR 74,000, a water pump, a water tank of 1000 L in capacity and a twenty five meters (25 m) long hosepipe.

Today, he has managed to prepare the hilly land for cultivation and grows aubergines, chilies, ladies' fingers, pumpkin, bitter gourd, beans, tomatoes, cashew nuts, tapioca, plantains etc. In addition, he sells plants in high demand in the area such as "seedlings of mango, guava and rose plants."

Jebanesan earns around SLR 10,000 per month now, which is almost SLR 4,000 more than what he earned per month before tsunami.

His business is still developing with his own relentless efforts and the encouragement given by the EHED Caritas Trincomalee, according to Jebanesan.



Jebanesan seems highly optimistic of the future of his business. "I have great hope of developing it to a large scale," he says.

- i. Do you see any growth potentials for Jebanesan's venture?
- ii. If you were in his position, what would you do to grow your business? You are requested to identify the specific barriers and solutions for the growth of the business.
- iii. Indicate the advantages and disadvantages that the owner manager faces because of being a small business.

(20 Marks)

2)

- I. Illustrate a model that demonstrate the life cycle of a small business venture
- II. Explain the importance of business strategies for SMEs
- III. Discuss different types of business strategies in SMEs.

(15Marks)

3)

- I. Identify the importance of location planning for small businesses
- II. What are the factors those should be considered in selecting the location for business ventures?
- III. Identify different types of business locations.

(15Marks)

4)

- I. Identify the specific issues in managing resources in SMEs
- II. Illustrate the management control systems those are observable in SMEs
- III. Discuss the importance of having a good managerial control in small businesses.

(15 Marks)