

TAKE HOME EXAMINATION

Student NRIC : _____

Student ID : _____

Programme	:	DIPLOMA IN BUSINESS STUDIES (MQA/FA9259)
Intake	:	SEPTEMBER 2019, SEPTEMBER 2020
Course	:	BUSINESS PLANNING
Course Code	:	DIB3005, DBBM4053
Duration	:	3 HOURS

INSTRUCTIONS TO CANDIDATES:

1. Please read the instructions given in the question paper **CAREFULLY**.
2. Answer **ALL FOUR (4)** questions.
3. Answers to the questions are to be written into own A4 sized papers.
4. Please write your NRIC number or student ID number on every page of your answer script. **Do NOT** write your name.
5. Please write page number on every page of your answer script.
6. Please **KEEP** the hardcopy of your answer script.
7. 1 mark will be deducted for every minute delay in submission after the 20 minutes lapse with maximum of 10 minutes delay is allowed.
8. After 30 minutes, any submission will **NOT** be accepted, 0 marks will be awarded.

WARNING:

The Examination Board of Peninsula College Georgetown regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in the accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from Peninsula College Georgetown.

(This booklet contains 3 printed pages including this page)

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Answer **ALL FOUR (4)** questions on the separate sheet provided.

[100 marks]

1. You are currently a college student and you are in the midst of developing a mobile wallet app. However, you need funding to help finance your mobile wallet app development. You have found out that a famous rich businessman is about to enter an office building near your college.

You plan to deliver an elevator speech to that businessman in an elevator. You wish to reveal your mobile wallet app idea to the businessman through an elevator speech.

- (a) Prepare a structured **FOUR (4)**-step elevator speech to be delivered to that businessman in an elevator with regards to your mobile wallet app development. (20 marks)
- (b) Discuss **THREE (3)** reasons why a business plan is not a static document. (5 marks)
2. You are now in the midst of developing a concept statement regarding your mobile wallet app development to be given to some industrial advisors to read.
- (a) Prepare a structured concept statement containing **FOUR (4)** sections for your mobile wallet app development. (20 marks)
- (b) Design a cover page of your business plan for your new startup involved in developing a new mobile wallet app. (5 marks)
3. You have now progressed to preparing the industrial data analysis for your business plan with regards to your mobile wallet app start-up.
- (a) Discuss **FIVE (5)** environmental trends that favour the usage of mobile wallet apps. (10 marks)
- (b) Discuss **FOUR (4)** possible key success factors to ensure the success of your mobile wallet app start-up. (8 marks)
- (c) Discuss **FOUR (4)** ways to gather industry sales projections for your mobile wallet app start-up. (7 marks)
4. You have extracted some important financial figures from your competitor's financial statements, which is also a mobile wallet app organisation, to assist you in making a financial projection for your own start-up.

Extract of income statement for the year ended 31 December 2020 and 2019

	2020	2019
	RM'000	RM'000
Sales	550	520
Gross profit	390	310
Earnings before interest and tax	245	130

Extract of statement of financial position as at 31 December 2020 and 2019

	2020	2019
	RM'000	RM'000
Inventory	59	30
Accounts receivable	36	20
Bank	7	5
Share capital	550	400
Retained earnings	269	124
Long term loan	100	100
Accounts payable	21	14

- (a) Based on the above figures, compute the following ratios for both 2020 and 2019:
- i. Gross profit ratio (2 marks)
 - ii. Return on capital employed (2 marks)
 - iii. Current ratio (2 marks)
 - iv. Quick ratio (2 marks)
 - v. Debt/equity ratio (2 marks)
- (b) Based on the ratios calculated in (a), discuss the following below:
- i. Profitability of the organisation (3 marks)
 - ii. Liquidity of the organisation (3 marks)
 - iii. Financial stability of the organisation (3 marks)
- (c) Discuss **THREE (3)** potential trade secrets that your mobile wallet app start-up would have. (6 marks)

- END OF QUESTIONS -