



Re-sit Entrepreneurship for Artificial Intelligence and Computer Science (EAICS)

July 4, 2019 (8.45-11.30, WN-Q105; Extra time: 8.45-12.00, WN-M623).

Date of correction: July 18, 2019 (latest)

Inspection: August 1, 2019; send an email to e.masurel@vu.nl

This exam consists of 6 questions and 18 sub-questions. All questions yield 1.5 points respectively. All x sub-questions per question yield 0.5 points. The first point is free.

GOOD LUCK!

1a. During the first lecture, also in the PowerPoint Presentation that was made available on Canvas, the three most popular modern theories in entrepreneurship were dealt with: Effectuation vs. Causation, Entrepreneurial Orientation, and Creation vs. Discovery. It was explained that these three theories are in fact “thinking frameworks”, in order to analyze entrepreneurial behavior and to explain entrepreneurial performance. How was “Causation” defined during this lecture?

1b. Five principles of “Causation” were dealt with during the same lecture (and also in the PowerPoint Presentation). List three of them or describe each of them with one sentence.

1c. Imagine, after your graduation, you decide to start your own business. The era in which you start your own business is very turbulent and dynamic. Which approach do you choose: effectuation or causation? Explain your answer briefly.

2a. Also during the first lecture, the typology of 20 entrepreneurs was presented (“Many types of entrepreneurs”). One of these entrepreneurial types is the “Hybrid entrepreneur”: How was this entrepreneurial type defined during this lecture?

2b. Mention two negative aspects of hybrid entrepreneurship, and explain your answer briefly.

2c. What kind of entrepreneur are you? Take one of the 20 types from above mentioned list (except the hybrid entrepreneur). Why this type?

3a. In the paper by Masurel and Van Montfort (2006), titled "Life cycle characteristics of small professional service firms", the focus is on the change of the firm during its lifecycle. Four stages in the life cycle are distinguished: start, growth, maturity, and decline. These stages are presented in terms of time and size. How does sales diversification of the firm changes during the life cycle?

3b. Does firm growth over time influence sales diversification, or is it the other way around; does sales diversification influence firm growth over time?

3c. Should the entrepreneur change during the life cycle of the firm? If your answer is yes: How should he/she change?

4a. During the course, sustainable entrepreneurship was defined as 'Leading the organization in making balanced choices between profit, people and planet'. Added to this definition was "Beyond compliance" (to rules and regulations), which means that sustainable entrepreneurship in principle refers to voluntary behavior. But there are some grey zones of interpretation concerning "beyond compliance". Mention one grey zone of interpretation and explain your answer briefly.

4b. How was greenwashing defined during this course?

4c. Give a real life of realistic example of greenwashing.

5a. Concerning the protection of innovations, during the lecturer "Entrepreneurial ecosystems", three basic forms of protection were dealt with: registered formal legal rights, non-registered formal legal rights, and informal protection. Mention two specific forms of registered formal legal rights. During the lecture, in total four forms were dealt with.

5b. During the same lecture, the PhD thesis by Mischa Mol (2017) was dealt with, titled "Registered formal protection and firm performance". One of his conclusions, on the basis of research among more than 3000 innovative Dutch firms, was that, on an aggregated level, registered formal protection is hardly statistically significantly related to firm growth in employment, sales and labor productivity. Give two plausible explanations for the absence of the connection between registered formal legal protection, on the one hand, and firm growth, on the other.

5c. Which two criteria would you use when you had to make a choice for a form of protection?

6. Case: From Nascent Entrepreneur to Start-up Entrepreneur: Capable or Not? John Has to Decide Whether or Not to Start His Own Architecture Firm

After a Long Period of Employment John is a 45-year-old male, happily married to Jane, and proud father of two twin sons aged 13. He studied architecture at the university and has been working for 18 years as an architect for a private large firm, the same firm where he started his first job, just after his academic graduation as an architect (he even did an internship at this firm while studying architecture). John is commonly known as a reliable and original professional architect and also as a good and social team player, both within the firm (with his colleagues) and outside the firm with, for example, various commissioners, etc. (that are important for planning permissions). Financially, John and his family are in a prosperous position, with the double income (his wife is an architect as well, they met at the university during their studies), the affordable mortgage for their self-designed house, and the financial study plan for their two sons that has been fed well in previous years. Next to this safe financial position of the family, John and his wife have a large block of shares in recognized good and both listed and non-listed companies, well spread over various sectors, which should give them extra financial space after their retirement (together with their private pension plans). In fact, there is not a cloud at the financial sky for John and his family. However, recently, in the past months, and in a sense even longer than these past months only, John got somewhat restless, especially about his current job situation. This restlessness expressed itself in terseness in his behavior, both in the private atmosphere and in the office, and also in temporary sleeplessness in the night. He continued to fantasize about starting and running his own architecture office, which is an old dream of him (during his study, it was his original plan to start his own architecture office, with two study friends, but it never came to that, among others because his current employer offered him an attractive job with a more than decent salary and because John wanted to give security to Jane). A small architecture office, with only a few employees and an interesting, not too big, portfolio of commissions which yields a reasonable income for him and his employees, that will do for him, more than enough so, and that would really make him very happy, at least that is what he thinks. The market seems to give the right signals for starting his own architecture firm now, as major public and private investments are expected in the construction sector in the coming years, both new buildings and renovation of existing buildings. John's personal financial situation gives room for this consideration as well. Still, he asks himself whether he will be the right person to be the owner-manager of an independently run own business, after all these years working as an employee, in a private large firm, in a rather protected job, with plenty of support staff, and completely without any prior experience as an entrepreneur. He especially asks himself whether he has the right competences for being an entrepreneur. He has no doubts whatsoever of his professional skills as an architect, which is again and again confirmed by his colleagues and the involved commissioners and public organizations.

Source: Masurel, E. (2019). *The entrepreneurial dilemma in the life cycle of the small firm: How the firm and the entrepreneur change during the life cycle of the firm, or how they should change*. Bingley: Emerald, pp. 87-90.

Answer the following questions:

6a. During the course, an entrepreneurial dilemma was defined as 'a situation in which an entrepreneur or multiple entrepreneurs has/have to choose between two or more future courses of action concerning his firm/their firm(s), without sufficient information to make that choice or not being able to prioritize the gathered information for making that choice'. What is the entrepreneurial dilemma of John in this case?

6b. Where do you place John's entrepreneurial motivation in terms of opportunity-driven and necessity-driven? Why there?

6c. Give a written advice to John in not more than 250 words which decision is the best for him concerning the start of his own architecture office. This advice should include a clear recommendation to John what to do, a clear explanation of this recommendation and a brief overview of the pros and cons of this recommendation.

== END OF EXAM ==