higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

NEW VENTURE CREATION
NQF LEVEL 2

(3011032)

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13:00–16:00

This question paper consists of 8 pages.

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)
NEW VENTURE CREATIONS
NQF LEVEL 2
TIME: 3 HOURS
MARKS: 150

INSTRUCTIONS AND INFORMATION

1. Answer all the questions.
2. Read all the questions carefully.
3. Number the answers according to the numbering system used in this question paper.
4. Start each section on a new page.
5. Use only a black or blue pen.
6. Write neatly and legibly.

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SECTION A

QUESTION 1

1.1 Indicate whether the following statements are TRUE or FALSE by writing only 'True' or 'False' next to the question number (1.1.1–1.1.15) in the ANSWER BOOK.

1.1.1 A partnership is required to submit articles of association to the Registrar of Companies.

1.1.2 Running costs are the direct and indirect costs of keeping a business running.

1.1.3 The point, at which expenses are more than income, is known as a breakeven point.

1.1.4 Private companies usually offer their shares to the public.

1.1.5 Eskom is an example of a government organisation.

1.1.6 Books and government records are sources of secondary data.

1.1.7 Market research can be used to maximise the risk of a new competitor.

1.1.8 A bar graph can be used to interpret the results from a survey and to give statistical analysis.

1.1.9 Financial contributions received from friends and family is a form of equity financing.

1.1.10 Consumer needs, wants and demands are constant and do not change over time.

1.1.11 Threats come only from the outside of the business.

1.1.12 One business can run the whole value chain on basically the same premises.

1.1.13 The customers and community expect businesses to support community projects.

1.1.14 Suppliers, debtors and customers are examples of internal stakeholders.

1.1.15 A soup kitchen is an example of a private company.

(15 × 2) (30)

1.2 Choose an item from COLUMN B that matches a description in COLUMN A. Write only the letter (A–M) next to the question number (1.2.1–1.2.10) in the ANSWER BOOK.

COLUMN A		COLUMN B	
1.2.1	Negative factors that prevent a business from achieving its objectives	A	income statement
1.2.2	Statement that indicates the income and expenditure of the business	B	balance sheet
1.2.3	The amount added to the cost price of a product to determine the profit	C	capital
1.2.4	A detailed financial plan	D	threats
1.2.5	Money used to start a business	E	public company
1.2.6	A form of income for shareholders	F	silent partner
1.2.7	The exchange of goods and services between parties, for mutual respect	G	private company
1.2.8	Assets with a life span of less than a year	H	mark-up
1.2.9	A partner who is not involved in the day-to-day running of the business	I	budget
1.2.10	Lethu (Pty) Ltd	J	trade
		K	dividends
		L	current assets
		M	specific partnership

(10 × 2) (20)
[50]

TOTAL SECTION A: 50

SECTION B

QUESTION 2

Read the case study below to answer the questions:

Charlie's Fitness Gym



Charlie is a young man who spend most of his free time in the gym. He obtained South African colours in power lifting and has competed on national and international level. One of his challenges is that he has to take two taxis to get to the gym. This worked financially against him and he decided to do something about it.

He asked his parents to help him to turn their double garage into a gym because he is tired of the travelling expenses. He saved some money and bought himself some gym equipment. It took him 3 months to build up his gym at home. His brother assisted him with some extra finance to put burglar bars on the doors and windows to secure the gym equipment.

In no time, his gym was up and running and he saved a lot of money. This put him in a position to appoint a general worker. The parents in the neighbourhood also approached him to train their children and they were willing to pay for it.

Charlie ended up making a business out of his challenge as well as uplifting and empowering the kids in his neighbourhood. It's 10 months later and he is now in the process of enlarging the gym so that he can accommodate more children. He will also train one of them to become a fitness trainer. Charlie's Fitness Gym is the only gym in the neighbourhood and business is very good.

2.1	How did Charlie obtain his funds to start the business?	(2 × 1)	(2)
2.2	For a SWOT analysis:		
2.2.1	Read the case study and list ONE threat for the business.		(1)
2.2.2	How did Charlie turn this threat into a strength?		(2)
2.2.3	Name TWO strengths of the business.	(2 × 2)	(4)

2.3 List TWO stakeholders of the business. (2 × 1) (2)

2.4 Consider Maslow's hierarchy of needs.

2.4.1 In which category does Charlies Gym fall? (1)

2.4.2 List the other FOUR categories. (4 × 1) (4)

2.5 There are TWO factors which cause an entrepreneur to start a business – the 'pulling' or 'pushing' factor.

2.5.1 Which one caused Charlie to start the business? (1)

2.5.2 Motivate your answer from the case study. (2)

2.6 Charlies Gym is a sole proprietor. List THREE disadvantages of a sole proprietor. (3 × 2) (6)

[25]

QUESTION 3

3.1 Briefly name and explain the THREE main sectors in the South African economy. (6)

3.2 Match each of the following statements with an institution listed below by writing only the answer next to the question number (3.2.1–3.2.4) in the ANSWER BOOK.

SACE; LSSA; HPCSA; SAICA

3.2.1 The accountant was involved with money laundering.

3.2.2 A teacher is guilty of misconduct.

3.2.3 The lawyer is corrupt.

3.2.4 The doctor prescribed the wrong medication to a patient.

(4 × 1) (4)

3.3 Market research is a good indicator of whether your business will be successful or not.

Briefly explain the following terms and include examples.

3.3.1 Market segmentation (2 + 1) (3)

3.3.2 Secondary data (2 + 1) (3)

3.3.3 Observation (1 × 2) (2)

3.4 What is the difference between *start-up capital* and *working capital*? (2 × 2) (4)

3.5 Which currency/money must you use when trading in the following countries?

3.5.1 South Africa

3.5.2 USA

3.5.3 England

(3 × 1) (3)

[25]

QUESTION 4

4.1 Briefly explain the reason why professional bodies and associations exist. (1 × 2) (2)

4.2 List THREE expenses of Charlie's Fitness Gym. (3 × 1) (3)

4.3 Look at the following statements and motivate why you agree or disagree with each.

4.3.1 It is better to borrow money from your family to start your business. (1 + 2) (3)

4.3.2 It is better to save money and then start your business. (1 + 2) (3)

4.3.3 It is better to resign your job and use the money to start a business. (1 + 2) (3)

4.4 Design a questionnaire for Charlies Fitness Gym and focus on the following aspects.

- The personal information of the members
- The affordability
- The different packages offered at the gym

The questionnaire must consist of:

- A short introduction
- TWO closed questions
- THREE open-ended questions

(11)

[25]

QUESTION 5

5.1 Name TWO methods for managing and controlling a budget. (2 × 2) (4)

5.2 Name THREE basic activities common to all businesses. (3)

5.3 Briefly explain the difference between a *fixed asset* and a *current asset.* (2 × 2) (4)

5.4 Define the following terms:

5.4.1 Tangible

5.4.2 Intangible (2 × 2) (4)

5.5 Complete the table below to determine the expected turnover for Charlies Fitness Gym. Write only the answer next to the question number (5.5.1–5.5.5) in the ANSWER BOOK.

They charge R400 for two members per month.

Months	April	May	June	Total
Packages	21	34	26	(5.5.1) …
Turnover	(5.5.2) …	(5.5.3) …	(5.5.4) …	(5.5.5) …

(5 × 2) (10)

[25]

TOTAL SECTION B: 100

GRAND TOTAL: 150

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