higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE

INTRODUCTORY ENTREPRENEURSHIP N4

(4090294)

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This question paper consists of 6 pages.

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE
INTRODUCTORY ENTREPRENEURSHIP N4
TIME: 2 HOURS
MARKS: 100

INSTRUCTIONS AND INFORMATION

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

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Read the following scenario carefully and answer the questions:

CAKE MAKING NOW A FORM OF ART

Just as party themes and celebrations have evolved, so have cakes. And what is a party without a cake? Gone are the days of rushing to the convenience store to get mass-produced cake to celebrate. Nowadays, cakes are a serious business.

Lucia Molefe, co-owner of Mokgalaka Creation, a confectionery business, said the current trend 'is for cakes with chocolate, caramel or chocolate ganache dripping on the sides of the cake with some fresh flowers and maybe chocolates and strawberries. People love that at the moment. This is trending for birthdays and even weddings.'

Molefe has been in the cake making business for 13 years. She left her job as a social worker at the Department of Social Development and she says she fell in love with the artistry of it all. 'It's a love of artwork, the love of creating things with my hands that drove me away from my full-time employment to what I am doing right now,' she said.

In her former job, Lucia dealt with a lot of social issues and even counselled couples. She still sees couples now albeit for a far happier reason. 'Now I am dealing with the same people – couples – but in a different way. Now I am serving them to create their dream wedding.'

'We are part of creating their dream wedding journey through a cake.'

[Sowetan, 16 July 2019]

QUESTION 1

1.1 Lucia is running her business in a free market system.

State FOUR disadvantages of this system. (4)

1.2 Lucia and Mokgalaka are running a partnership business called Mokgalaka Creation.

State FIVE advantages of this form of ownership. (5)

1.3 Complete the following sentences by writing only the missing word or words next to the question number (1.3.1–1.3.5) in the ANSWER BOOK:

1.3.1 The remuneration for the production factor capital is …

1.3.2 … are an intangible benefit of need satisfaction.

1.3.3 The maximum number of members that can form a close corporation (CC), is …

1.3.4 Assets with a life span of more than a year, are called …

1.3.5 A … is a desire or craving for something that gives satisfaction.

(5 × 1) (5)

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1.4 Draw up a questionnaire with THREE questions that Lucia can use to find out what her customers like about her business. (3 × 2) (6)

1.5 A customer might want to get hold of Lucia in future.

Draw up a business card that will make it easier for them to contact her.

NOTE: This business card can be used on the front cover of her business plan.
(5 × 1) (5)
[25]

QUESTION 2

2.1 Name the contents to be included in the financial plan when writing a business plan. (6 × 1) (6)

2.2 State FIVE activities in dealing with suppliers when purchasing stock. (5)

2.3 Give the production factor for the following two remunerations:

2.3.1 Rent

2.3.2 Wages
(2 × 1) (2)

2.4 The abbreviation PAYE stands for … (1)

2.5 Lucia wants to buy equipment for her business. She will receive 12% discount if she pays cash. The cost is R12 400,00.

2.5.1 How much is the discount?

2.5.2 How much will she pay for the equipment after a discount?
(2 × 2) (4)

2.6 Identify THREE resources that Lucia needs to have to be successful in her business. (3)

2.7 Which of the following expenses are 'Fixed' or 'Variable' in Lucia's business?

2.7.1 Wages for temporary staff

2.7.2 Instalment on delivery truck

2.7.3 Rent

2.7.4 Electricity and water
(4 × 1) (4)
[25]

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QUESTION 3

3.1 Discuss the SEVEN steps of the purchasing procedure. (7)

3.2 Decrease R461,20 by 25%. (3 × 1) (3)

3.3 State FIVE ways in which Lucia can try to improve her creative thinking. (5)

3.4 State SIX functions that Lucia has as an entrepreneur. (6)

3.5 Choose ONE term from the list below for each of the following descriptions and write it next to the question number (3.5.1–3.5.4) in the ANSWER BOOK.

debtors; cashflow budget; publicity; break-even analysis; intrapreneur; research; income statement; entrepreneur

3.5.1 Sponsor fundraising

3.5.2 A person who starts their own business

3.5.3 The account of all customers who owe you money and buy on credit

3.5.4 Statement that helps you to avoid cash shortages

(4 × 1) (4)

[25]

QUESTION 4

4.1 Name THREE methods that Lucia could use to identify shoplifters. (3)

4.2 Lucia invests R25 000,00 on a fixed deposit at a simple interest rate of 6,75% per annum, for four years at a bank.

Calculate the interest that she will earn.

FORMULA: $\frac{P \times r \times t}{100}$

(4 × 1) (4)

4.3 State FOUR advantages of efficient stock control that Lucia should consider, which will have an influence on the profit of her business. (4)

4.4 Name FIVE different sources of operating capital. (5)

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4.5 Lucia has about 200 customers who visit her business. The average income per annum per family amounts to R15 000,00. On average a customer spends 25% on cakes. Lucia is convinced that she will attract a market share of 10% seeing that there are other businesses.

Calculate the potential rand value of her market share. Show all the calculations. (3 × 2) (6)

4.6 Give THREE benefits of an automatic teller machine. (3)
[25]

QUESTION 5

5.1 Name TWO types of risks that an entrepreneur can encounter in the business world. (2)

5.2 State the safety precautions that must be implemented by Lucia to effectively handle cash in the operation of a business enterprise. (6 × 1) (6)

5.3 Increase R675,00 by 10%. (3)

5.4 Differentiate between *staple products* and *impulse products* and give an example of each. (2 × 2) (4)

5.5 State the steps in a simple business cycle. (6 × 1) (6)

5.6 Indicate whether the following statements are TRUE or FALSE by writing only 'True' or 'False' next to the question number (5.6.1–5.6.4) in the ANSWER BOOK.

5.6.1 Jewellery is an example of a cultural need.

5.6.2 Staffing is the ability to employ the right people for the different jobs in the enterprise.

5.6.3 Demographic segmentation is when customers are arranged according to their age, income and occupation.

5.6.4 Consumer markets use various materials to produce products.

(4 × 1) (4)
[25]

TOTAL: 100

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