higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

ENTREPRENEURSHIP
NQF LEVEL 2

(3021042)

17 November 2022 (Y-paper)
13:00–15:30

This question paper consists of 9 pages.

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TIME: 2½ HOURS
MARKS: 100

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

Various options are given as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number (1.1–1.15) in the ANSWER BOOK.

1.1 The … environment is the only environment that the entrepreneur can fully control.

A market
B micro
C macro
D external

1.2 A general increase in prices and fall in the purchasing value of money is called …

A loss.
B cost price.
C competition.
D inflation.

1.3 Which of the following cost items is an example of a variable cost?

A Salaries
B Mortgage bond
C Vehicle
D Fuel

1.4 … is when the business income is equal to business expenditure.

A Profit
B Break-even point
C Gross profit
D Loss

1.5 Assume you have written a book on Entrepreneurship Level 2; how would you protect your idea?

A Trade mark
B Copyright
C Patent
D Secrecy

1.6 … is a facility that allows an entrepreneur to withdraw money from the account even when there is not enough money.

A A savings account
B A short-term loan
C An overdraft
D A cheque account

1.7 An example of a secondary need is …

A self-actualisation.
B food.
C security.
D clothing.

1.8 A/An … is a set of questions one asks a large number of people to find out about their opinions.

A sample
B observation
C survey
D experiment

1.9 Positive possibilities in the internal environment:

A Threats
B Strengths
C Weaknesses
D Opportunities

1.10 Which ONE of the items below is a component of the executive summary of a business plan?

A Outlining funding requirements
B Contact details
C Target description
D Description of the type of business in terms of ownership

1.11 Formation of a partnership involves … partners.

A 0 to 20
B 10 to 20
C 2 to 20
D 1 to 20

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1.12 A good advertisement should follow the … principle.

A AIDA
B AAID
C pricing
D marketing

1.13 An example of a source document:

A Creditor
B Asset
C Debtor
D Receipt

1.14 … are also internal clients.

A Employees
B Debtors
C Customers
D Creditors

1.15 … is a planning tool that schedules a series of events.

A A task list
B Prioritising
C A roster
D Marketing

(15 × 1) **[15]**

QUESTION 2

Indicate whether the following statements are TRUE or FALSE by writing only 'True' or 'False' next to the question number (2.1–2.15) in the ANSWER BOOK.

2.1 Resources are liabilities of a business that include land and buildings, machinery and funds available.

2.2 A trademark is granted to the owners of new inventions.

2.3 The title page of a business plan includes the name of the business and the name of the entrepreneurs.

2.4 Target markets are people you expect to buy your products.

2.5 A SWOT analysis explains how the business will operate and how it will market its products and services.

2.6 An intrapreneur is a person who takes a risk by starting a business with the aim of getting a profit.

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2.7 An example of an entrepreneur's long term business goal may be to buy new, big premises.

2.8 An entrepreneur should be an introvert.

2.9 Telephone, salaries and fuel are all examples of fixed assets.

2.10 A medium-term plan usually covers one to three years.

2.11 A design is a drawing or sketch for a new process or product.

2.12 A want is something that one cannot live without.

2.13 The Thomas profile can be used as an evaluation tool to identify your own strengths and weaknesses.

2.14 Indicating the deadline for each task is one of the steps considered when creating a task list.

2.15 Customer relations are about customers' needs and behaviours, and developing strong relationships with them.

(15 × 1) **[15]**

TOTAL SECTION A: 30

SECTION B

QUESTION 3

Read the scenario below and answer the questions.

Bongani Hlongwane is the owner of HBA Kitchen Designs. Carpentry skills he learnt when he was in primary school helped him to start a business. When he started, he installed basic kitchen cupboards and wardrobes, but today he offers modern and trendy fitted furniture across the country.

After matric, he studied electrical engineering, but due to financial difficulties, he had to drop out and find ways to make money. Starting a carpentry business was an obvious choice for him because he already had the skills and experience. He also knew that his services would be in demand because people prefer custom and fitted furniture.

New housing developments that need built-in cupboards and wardrobes are built every day. Bongani's clients either ask him to design and install fitted cupboards and wardrobes for their new homes, or they want to upgrade to new furniture fittings.

During the Covid-19 lockdown restrictions, the demand for custom furniture declined rapidly because there was a lot of uncertainty and clients were not spending money on luxury items. There were months when he had no clients and was not allowed to operate because his business did not fall under essential services. This was a very tough time for the business, and it was on the verge of closure.

To save his business, he used left-over material from his workshop to build headboards and chests of drawers. 'I sold these on the side of the road near residential apartments,' he says. This helped him gain working capital and to pay his staff members. He later applied for a permit to operate during lockdown which also helped the business getting back on its feet. 'Most of my clients are from referrals, because my work speaks for itself,' he says.

Travelling is a hobby that Bongani uses to grow his business because he networks and gets inspired by decor trends in hotels. Running his own business gives him the freedom to manage his time. 'I love being my own boss,' he says.

Business is booming and expansion plans to offer marble and Caesarstone fittings are well underway.

[Source: *www.soweta/sebenzalive.co.za*]

3.1 A business begins with a business plan.

Explain to Bongani FOUR purposes of drawing up a business plan. (4 × 2) (8)

3.2 Identify the form of ownership that is suitable for Bongani's business. (1)

3.3 State THREE disadvantages of a partnership. (3)

3.4 The country's economy has an impact on Bongani's business.

How would the following external factors impact negatively on HBA Kitchen Designs?

3.4.1 Covid-19

3.4.2 Unemployment

3.4.3 High inflation rate

(3 × 2) (6)

3.5 State THREE examples of fixed assets used by HBA Kitchen Designs. (3)

3.6 Use the following criteria to determine the target market of HBA Kitchen Designs:

3.6.1 Location

3.6.2 Age

(2 × 2) (4)

3.7 Explain how Bongani can benefit from using personal selling in his business.

(3 × 2) (6)

3.8 List FOUR methods of advertisement that Bongani can use to advertise his business. (4)

[35]

QUESTION 4

4.1 Bongani buys the following items on a monthly basis:

- 20 boards @ R550 per board
- 25 ℓ of paint @ R55 per litre
- 8 kg of nails @ R25 per kg
- 50 m edging @ R21 per metre
- 5 ℓ glue @ R35 per litre

Bongani pays his TWO assistants a salary of R3 200 each, and he also pays himself a salary of R4 500. Rent for the business premises amounts to R2 500 per month. He normally sells 50 cupboards per month.

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Use the information above to calculate the following:

4.1.1 Fixed costs per cupboard (4)

4.1.2 Variable costs per cupboard (4)

4.1.3 Total costs per cupboard (3)

4.2 Bongani approaches you to help him with information about basic finances in the business. Explain the following financial terms to him:

4.2.1 Net profit

4.2.2 Start-up costs

(2 × 2) (4)
[15]

QUESTION 5

5.1 During lockdown restrictions, Bongani's business was on the verge of closure, but Bongani didn't give up.

Briefly explain THREE characteristics from the scenario that classify Bongani as an entrepreneur. (3 × 2) (6)

5.2 Bongani is struggling to manage his time efficiently due to his many responsibilities.

Explain the following types of diaries that Bongani can use in his business:

5.2.1 Year planner

5.2.2 Desk diary

5.2.3 Electronic diary

(3 × 2) (6)

5.3 List THREE current challenges that entrepreneurs are facing during the pandemic in South Africa. (3)

5.4 Identify THREE weekly activities that can be recorded in Bongani's work schedule. (3)

5.5 Give TWO reasons why entrepreneurs fail. (2)
[20]

TOTAL SECTION B: 70
GRAND TOTAL: 100

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