higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

ENTREPRENEURSHIP
NQF LEVEL 2

(3021042)

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13:00–15:30

This question paper consists of 10 pages.

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)
ENTREPRENEURSHIP
NQF LEVEL 2
TIME: 2 ½ 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 Customer base is an example of a business …

A opportunity.
B venture.
C strength.
D threat.

1.2 A source of finance is …

A capital.
B debtors.
C business plan.
D loan.

1.3 An example of sales promotion is/are …

A tournament.
B coupons.
C fundraising.
D leaflets.

1.4 A close corporation may have only one member, but not more than …

A 10.
B 20.
C 50.
D unlimited.

1.5 Assume the total fixed costs per month for a small business were R300. Their total variable costs for the month were R1 500.

What is the fixed cost percentage?

A 20%
B 50%
C 45%
D 87%

1.6 Regular daily, weekly and monthly activities are recorded on …

A goals for the week.
B medium planning.
C work schedule.
D diary.

1.7 … goals might include examining ways to improve work conditions for existing workers.

A Short-term
B Medium-term
C Long-term
D Monthly

1.8 A … will help entrepreneurs by providing advice or pointing out potential problems.

A coach
B mentor
C partner
D shareholder

1.9 The economic environment deals with …

A suppliers.
B inflation.
C unemployment.
D crime.

1.10 Gross profit percentage is the gross profit of a business expressed as a percentage of …

A mark-up.
B net profit.
C gross profit.
D sales.

1.11 Events happening outside your business that could prevent you from achieving your goals:

A Weaknesses
B Threats
C Opportunities
D Strengths

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1.12 The need to satisfy hunger and thirst, and for air to breathe is called … needs.

A psychological
B social
C physical
D physiological

1.13 The T in PESTEL analysis refers to …

A threats.
B technology.
C technical.
D transformation.

1.14 Process where the market is divided on the basis of factors such as demography and geography.

A Market segmentation
B Marketing plan
C Marketing function
D Perfect market

1.15 Executive summary …

A gives details of the equipment needed.
B lists the strengths and weaknesses of the business.
C describes the type of business in terms of ownership.
D describes the difficulties the business will encounter as it enters the market.

(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 The pricing policy is a component of the marketing plan.

2.2 The usefulness of the SWOT analysis method is limited to profit-seeking organisations.

2.3 The process of starting your own business is known as intrapreneurship.

2.4 The market environment includes competitors and employees.

2.5 A product guarantee can be offered to a customer when he/she buys a new product.

2.6 Business documents such as diagrams and architectural plans may be included in the operational plan of a business.

2.7 A good credit record has to be the starting point for everyone who wants to raise money to start a business.

2.8 One of the reasons why entrepreneurs are successful is because they have a good business plan.

2.9 Personality traits of an entrepreneur consist of skills which one can obtain through training.

2.10 Net profit is the difference between income and the cost of sales.

2.11 A purchase journal is used to record expenditure on postage and stationery.

2.12 A diary provides a history, or trail of events, for disputes that may arise months later.

2.13 Minutes and memoranda are commonly used documents for external communications.

2.14 Task list is a date or time by which something has to be done.

2.15 Investors and creditors provide the money to start and run the business.

(15 × 1) **[15]**

TOTAL SECTION A: 30

SECTION B

QUESTION 3

Read the scenario below and answer the questions.

YOUNG ENTREPRENEURS FIND TREASURE IN TRASH

Phumudzo Muthanyi and Mbali Mokgosi from Orange Farm, south of Johannesburg, successfully turn junk into high-end fashion. The duo's company, MicGalaw, uses discarded Plastic from rubbish dumps and landfills to create bags, accessories, home crafts and furniture. Recycling is the process of collecting trash and turning it into new products.

Muthanyi says they were inspired to recycle plastic after seeing how many discarded bottles and other pieces of plastic were strewn across their township turning what could be a pretty space into a polluted one.

It took us about three years to learn the art of working with plastic. Our break came when we won a pitching competition prize of R12 500 in 2018 during global entrepreneurship week. We were able to purchase our first heavy-duty industrial machine, equipment and materials.

In 2019, the women produced their first collection, consisting of five stylish bags made from recycled plastic. Since then, they have made a name for themselves, with the MicGalaw brand becoming known for its eye-catching designs. All their products are made from recycled materials and are affordable with most ranging from R50 to R350 per item.

The waste collected by MicGalaw is washed and separated. The recycled plastic is then shredded and melted to become a leather-like fabric. This is followed by cutting the material according to a pattern and the final product is created.

MicGalaw has also created income opportunities for two young people through its Clean Up and popa initiative, in which participating youngsters collect plastic for a set fee.

The company has made gifts for many corporates − including laptop backpacks and hopes to secure more of these orders. 'We would like to grow our business from a micro-business to a small developing business and create employment for more young designers from Orange Farm and Mogale City,' says Muthanyi.

[Source: *www.sowetan.sebenzalive.co.za*]

3.1 People usually look at new products with interest.

Show how Muthanyi and Mokgosi can stimulate customers' interest in their products. (4)

3.2 Good after-sales service creates loyal customers who will keep coming back.

Develop an after-sales questionnaire for Muthanyi and Mokgosi's business to find out whether customers are satisfied or not with their products.

(HINT: Include SECTION A and B with minimum of FIVE questions.) (8)

3.3 The business plan plays a vital role in the entrepreneurial process.

How would the following components of a business plan assist Muthanyi and Mokgosi in their business?

3.3.1 Management plan (3)

3.3.2 Environmental assessment plan (2)

3.3.3 Operations plan (3)

3.4 Identify THREE components of business environments and classify each component according to the business environment and their extent of control.

NOTE: Draw the table below in the ANSWER BOOK to present your answer.

COMPONENTS	ENVIRONMENTS	CONTROL
e.g. Customers	Market	Partial control
•	•	•
•	•	•
•	•	•

(3 × 3) (9)

3.5 Muthanyi and Mokgosi want to expand their business.

3.5.1 List THREE important financial statements that must be included in their business plan in order for the bank to approve their funding. (3)

3.5.2 Name THREE stakeholders or people that would be interested in their business plan. (3)

[35]

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QUESTION 4

4.1 Muthanyi and Mokgosi buy the following items on a monthly basis:



100 zips @ R5,50 per zip
5 ℓ paint @ R75 per litre
30 m yarn @ R25 per metre
40 m lining @ R15 per metre
10 ℓ glue @ R20 per litre

Muthanyi and Mokgosi pay their employees a salary of R2 000 each and they also pay themselves a salary of R1 500 each. Rent for the business premises amounts to R1 000 per month. They normally sell 50 handbags per month.

Use the information above to calculate the following:

4.1.1 Fixed cost per handbag (4)

4.1.2 Variable cost per handbag (4)

4.1.3 Total cost per handbag  (3)

4.2 List FOUR items that Muthanyi and Mokgosi will include in the executive summary of their business plan. (4)

[15]

QUESTION 5

5.1 Good management skills are a necessity in all businesses.



Name FOUR management functions that Muthanyi and Mokgosi need to perform in order for their business to be successful. (4)

5.2 Coming across a good idea can be very exciting. However, how do you protect your idea and prevent someone else from stealing it? You don't want someone else making money from your idea.

Explain THREE methods that Muthanyi and Mokgosi can use to protect their business idea.



5.2.1 Secrecy

5.2.2 Patents

5.2.3 Trademark

(3 × 2) (6)

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5.3 Give TWO reasons why MicGalaw may need finance. (2)

5.4 What are FOUR qualities of a good business name? (4)

5.5 In a business, various types of diaries are commonly used.

Explain the following types of diaries that Muthanyi and Mokgosi can use in their business:

5.5.1 Daily diary

5.5.2 Business diary

(2 × 2) (4)
[20]

TOTAL SECTION B: 70
GRAND TOTAL: 100

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