higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

NEW VENTURE CREATION
NQF LEVEL 2

(3011032)

17 November 2022 (Y-paper)
13:00–16:00

This question paper consists of 10 pages.

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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 question on a new page.
5. Use only a blue or black 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. Choose the answer and write only 'True' or 'False' next to the question number (1.1.1–1.1.10) in the ANSWER BOOK.

1.1.1 The financial statements of a sole trader do not need to be audited.

1.1.2 Employee development is a good example of running costs.

1.1.3 A process where a product or a service is taken from raw material until it is finally used is called the value chain.

1.1.4 A product can be described as anything that the customer obtains in exchange for some item of value, usually money, in order to satisfy a need.

1.1.5 Consumers are the users of products and services.

1.1.6 A bank loan is one of the ways of financing a business.

1.1.7 The filing of customers information according to place is known as geographical filing.

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

1.1.9 The unlimited liability clause states that owners can only lose what they have invested in the business.

1.1.10 Interpreting open ended questions are relatively easy.

(10 × 2) (20)

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

COLUMN A		COLUMN B	
1.2.1	The amount of money that an entrepreneur invests in a business	A	target market
		B	owner's equity
1.2.2	Examples of assets that may need to be purchased to start a business may include …	C	profit
		D	land and buildings
1.2.3	A group of customers who are most likely to buy your product/service	E	close corporation
		F	SARS
1.2.4	A business that is owned by 1 to 10 people	G	open-ended questions
		H	customer survey
1.2.5	Main reason why people start a business	I	variable costs
1.2.6	A good example of a regulatory body	J	principal debt
		K	closed questions
1.2.7	These questions have different answers	L	perishables
1.2.8	Goods that get easily broken		
1.2.9	Costs based on the prices that you pay for materials that changes according to production volumes		
1.2.10	Methods of interpreting information gathered		

(10 × 2) (20)

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1.3 Give ONE word or term for each of the following descriptions from the list below. Write only the word or term next to the question number (1.3.1–1.3.5) in the ANSWER BOOK.

edit; primary data; interpretation; field workers; sample

1.3.1 Collecting information.

1.3.2 Counting the number of answers per category or section.

1.3.3 The result of each question to check whether it is accurate and consistent.

1.3.4 First-hand information.

1.3.5 A portion of the target market.

(5 × 2) (10)]
[50]

TOTAL SECTION A: 50

SECTION B

Read the case study below and answer the questions.

PHOTOGENIC ADVENTURES



Frank is the owner of a blossoming photography business. He worked as a professional chef but was retrenched as a result of the 2020 pandemic. The pandemic crippled the food and tourism industry, and he could not find a job.
After good research on the internet, he came across an accredited TVET institution offering a short online course in photography. The course was affordable, and he decided to do it. He used his last UIF money to upgrade his cell phone because he couldn't afford to buy a state-of-the-art camera.
He advertised his business on all platforms, offering different packages at reasonable prices. This helped him to buy a good camera, to do better business. One of his greatest desires is to grow and expand his business. He wants to become a household name.

QUESTION 2

2.1 Which type of research did Frank use? Primary or secondary? Motivate your answer. (1 + 2) (3)

2.2 Is Frank selling a product and/or a service? Motivate your answer. (1 + 2) (3)

2.3 Is the UIF a government and non-profit fund? Motivate your answer. (1 + 2) (3)

2.4 Name the subsector under which the following businesses fall.

2.4.1 Transportation

2.4.2 ABSA

2.4.3 Dairy farms

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2.4.4 Manufacturing (4 × 1) (4)

2.5 List THREE reasons why you will advise Frank to rather form a partnership. (3 × 2) (6)

2.6 Explain THREE characteristics that *differentiate* services from products. (3 × 2) (6)

[25]

QUESTION 3

3.1 Briefly discuss the SWOT analysis of Frank's business in a table format. Use your own wording. (4 × 2) (8)

3.2 Frank decided to make a loan of R40 000 from XYZ Bank to expand his business. They are charging him 20% per annum. The loan will be repayable over 3 years.

Calculate how much interest Frank will pay to the bank over 3 years.

Use the simple interest formula: $I = \frac{P \times R \times T}{100}$ (6)

3.3 Name FOUR types of media that Frank can use to advertise his business. (4)

3.4 Frank started his own business.

Define the term *sole trader* and briefly discuss ONE advantage of being a sole trader. (2)

3.5 List Maslow's hierarchy of needs in the correct order. (5)

[25]

QUESTION 4

4.1 You are a gifted singer and want to use your gift to make money. You plan on using the following platforms to market yourself and upload your songs.

- Use the following social media platforms to design a questionnaire
- Give at least THREE open-ended and TWO closed questions
- Be creative when formulating your questions





(10)

4.2 Identify THREE methods of managing and controlling your budget. (3 × 2) (6)

4.3 Identify whether the following are a CURRENT or FIXED ASSET.

4.3.1 Bank

4.3.2 Computer equipment

4.3.3 Trading stock

4.3.4 Vehicle

4.3.5 Machinery

(5 × 1) (5)

4.4 List the FOUR Ps in marketing. (4)

[25]

QUESTION 5

RYAN'S CAB SERVICES



Mr. Ryan Cloete is a middle-aged man. He recently bought a good second-hand seven-seater taxi. He saw a gap in his area and decided to join the taxi industry. The routes will be from King Shaka Airport to the surrounding areas. The service will be charged at R20 per kilometre. He will also transport students in the morning and afternoons at a subsidised price.
Mr. Cloete is aware of all the challenges facing the taxi industry. He plans on working hard to generate enough money to buy another vehicle to add to his fleet.

5.1 List THREE expenses of a taxi business. (3)

5.2 Name THREE stakeholders involved in the taxi business. (3)

5.3 Ryan is very worried that he might lose customers because of competition.

State THREE factors that could lead to customers not supporting his business.

(3 × 2) (6)

5.4 Complete the table below to determine the expected turnover for the following month. Write only the answer next to the question number (5.4.1–5.4.5) in the ANSWER BOOK.

Months	November	December	January	February	Total
Kilometres travelled	150	350	40	70	610
Turnover	**5.4.1**	**5.4.2**	**5.4.3**	**5.4.4**	**5.4.5**

(5 × 2) (10)

5.5 The demand for the following products increases during a certain time in the year. Name the month or months of the year.

5.5.1



5.5.2



5.5.3



(3 × 1) (3)

[25]

TOTAL SECTION B: 100
GRAND TOTAL: 150

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