higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

NEW VENTURE CREATION
NQF LEVEL 4

(3011034)

28 November 2023 (X-paper)
09:00–12:00

This question paper consists of 8 pages and 1 addendum.

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)
NEW VENTURE CREATION
NQF LEVEL 4
TIME: 3 HOURS
MARKS: 200

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 (1.1.1–1.1.10) in the ANSWER BOOK.

1.1.1 In a SWOT analysis, opportunities are internal.

1.1.2 Training refers to the acquiring of skills and knowledge.

1.1.3 Observation is a type of research method.

1.1.4 The application process for bank financing is slow.

1.1.5 Misconduct is bad or unethical behaviour.

1.1.6 The objective of every business owner is to make a profit.

1.1.7 Pricing is the process of calculating the total amount that it will cost a business to create a product from start to finish.

1.1.8 Employees can go through their company's code of conduct when it is convenient for them.

1.1.9 Word-of-mouth is an expensive way of advertising a business.

1.1.10 You can improve your product by adding new features.

(10 × 1) (10)

1.2 Complete the following sentences by writing only the missing word or words next to the question number (1.2.1–1.2.10) in the ANSWER BOOK.

1.2.1 Advertising is an example of … costs for a new business.

1.2.2 Sales – Cost of sales = … .

1.2.3 A vehicle is an example of … asset.

1.2.4 A/An … is the method of financing that allows you to obtain the asset without having to invest a large amount of money.

1.2.5 When you are not making a profit or a loss you are … .

1.2.6 Taking advantage of company vehicles is an example of … behaviour.

1.2.7 An acronym EEA stands for … .

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1.2.8 A liability arising from someone's refusal or neglect to honour their commitments is called … .

1.2.9 … means the process when a company publicly requests the services of another entity to provide particular goods or services.

1.2.10 An expense that does not change as production volume increases or decreases within a relevant range is called… costs.

(10 × 1) (10)
[20]

TOTAL SECTION A: 20

SECTION B

Read the scenario below and answer the questions using the information given.

Croco Shandis was established as a private company on 5 May 2021 by the owner, Sandile. Croco Shandis sells crocodile meat: the cuts include tail, fillet, steaks and biltong. Crocodile has white firm flesh and tastes similar to the mixture of crab and chicken. Crocodile meat has a high nutritional value with very little fat. However, the meat contains mercury which has proven highly hazardous for pregnant women.



QUESTION 2

2.1 Croco Shandis is a newly established business and therefore the owner and staff need to be trained. Identify TWO types of training you would recommend. (2 × 2) (4)

2.2 Explain THREE possible distribution channels that Croco Shandis can use to ensure their products reach the customer. (3 × 2) (6)

2.3 As a new business owner, explain to Sandile the importance of networking so his business can expand. (4 × 2) (8)

2.4 As with any business, there are contracts, which a business will enter into.

Explain THREE types of contracts Croco Shandis could enter into. (3 × 2) (6)

2.5 Explain, using TWO examples, how the Employment Equity Act will apply to Croco Shandis. (2 × 2) (4)
[28]

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QUESTION 3

3.1 List TWO fixed assets, which are required by Croco Shandis to ensure that they can obtain their stock from their supplier and deliver it to the customer timeously. (2 × 2) (4)

3.2 Banks, by their nature, are financial institutions offering funding for businesses.

Explain TWO types of funding options, which Croco Shandis could use from banks. (2 × 2) (4)

3.3 Briefly explain THREE advantages for businesses who compile assets and liabilities statements. (3 × 2) (6)

3.4 Because Croco Shandis is a newly established business Sandile may experience problems obtaining finance.

Explain THREE common causes for banks to refuse finance. (3 × 2) (6)

3.5 Use ANNEXURE A (attached), to draw up a three months cash flow statement. Use the information below:

The bank balance at the end of October- is R10 000.

MONTHS	ESTIMATED INCOME	ESTIMATED PURCHASES
October	R8 000	R6 000
November	R7 000	R5 000
December	R15 000	R10 000
January	R9 000	R7 000

Other information:

1. Old equipment sold in December for R2 000.
2. The average expenses per month are R5 000.
3. 20% of all sales are on credit. They are paid 30 days later.
4. 10% of all purchases are on credit. They pay after 30 days.
5. The company plans to buy new equipment to the value of R28 000 in December. The deposit is R2 800 and the monthly payment thereafter will be R1 200 for sixty months.

(26)
[46]

QUESTION 4

4.1 There are various stakeholders to be considered when drawing up a code of conduct for a business.

Explain the FOUR stakeholders that a code of conduct for Croco Shandis will need to consider. (4 × 2) (8)

4.2 Croco Shandis deals with food that needs to be kept frozen and transported from the supplier to the customer.

Discuss FIVE points that should be included in Croco-Shandis Code of Conduct. (5 × 2) (10)

4.3 Identify THREE elements that Sandile must ensure are in place before he can act against an employee who has deviated from the Code of Conduct. (3 × 2) (6)

4.4 Besides unauthorised absenteeism, explain THREE other deviations that should be dealt with in the Code of Conduct. (3 × 2) (6)

[30]

QUESTION 5

International Industry Standards for Crocodile Farms have been developed by the International Crocodilian Farmers Association (ICFA). The South African Crocodile Industry Association (SACIA), in collaboration with other industry stakeholders, developed National Standards and Good Operating Practices and promotes the ethical production of crocodile products.

The National Society for the Protection of Cruelty to Animals (NSPCA), is authorised by the National Animal Protection Act to enforce the legislation and is guided by standards as guidelines to monitor the status of animal health and welfare on crocodile farms in South Africa.

5.1 From the above, it is clear that there are many associations set up to ensure that the crocodile industry is well-managed and controlled. However, there will always be those who try and take shortcuts.

List THREE ways in which Croco Shandis can ensure that they only buy from reputable farms. (3 × 2) (6)

5.2 All businesses in South Africa need to comply with various Acts or contracts. Failure to do so is seen as non-compliance and by doing so a business exposes itself to various legal consequences.

Explain FIVE actions, which may be taken against a business defaulting against an Act or contract. (5 × 2) (10)

5.3 Explain the following concepts:

5.3.1 Legal liability

5.3.2 Vicarious liability

5.3.3 Personal liability

5.3.4 Public liability

5.3.5 Contractual liability

(5 × 2) (10)

5.4 State THREE purposes of the Labour Relations Act, which are in place to govern the management of employees by employers. (3 × 2) (6)

[32]

QUESTION 6

6.1 Discuss FOUR external factors impacting the pricing of crocodile meat.

(4 × 2) (8)

6.2 Due to the nature of the business, there may be challenges in obtaining crocodile meat. Explain THREE possible reasons for this. (3 × 2) (6)

6.3 Indicate whether the following are 'EXPENSES' or 'REVENUE' by writing only 'Expense' or 'Revenue' next to the question number (6.3.1–6.3.3) in the ANSWER BOOK.

6.3.1 Repayment of a loan

6.3.2 Fuel used

6.3.3 Interest on savings account

(3 × 1) (3)

6.4 Identifying suppliers to purchase from is important for any business but even more so when dealing with food.

Explain FOUR factors Sandile should consider when identifying possible suppliers. (4 × 2) (8)

6.5 Due to the nature of the product sold, Sandile may not always be able to obtain sufficient stock from one supplier.

Name EIGHT ways he can use to search for other suppliers if required.

(8 × 1) (8)

6.6 Crocodile skins generate approximately 90% of the total income of crocodile farms with the crocodile meat generating the balance.

Explain THREE products that can be produced from crocodile skins.

(3 × 2) (6)

6.7 Besides crocodile meat, list FIVE other types of meat which are generally eaten in South Africa. (5 × 1) (5)

[44]

TOTAL SECTION B: 180
GRAND TOTAL: 200

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ADDENDUM A

QUESTION 3.5

Cash flow statement

MONTH	**November**	**December**	**January**
Bank balance at the beginning of the month			
INCOME			
Cash sales			
Credit sales			
Other income			
Total income			
EXPENSES			
Cash Purchases			
Credit Purchases			
Monthly expenses			
Other expenses			
Total expenses			
Bank balance at the end of the month			

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