higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

# MARKING GUIDELINE

## NATIONAL CERTIFICATE (VOCATIONAL)

## NEW VENTURE CREATIONS
## NQF LEVEL 4

## 28 November 2023

**This marking guideline consists of 9 pages**

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## SECTION A

## QUESTION 1

| | | | | |
|---|---|---|---|---|
| 1.1 | 1.1.1 | False | | |
| | 1.1.2 | True | | |
| | 1.1.3 | True | | |
| | 1.1.4 | False | | |
| | 1.1.5 | True | | |
| | 1.1.6 | True | | |
| | 1.1.7 | False | | |
| | 1.1.8 | False | | |
| | 1.1.9 | False | | |
| | 1.1.10 | True | | |
| | | | (10 × 1) | (10) |
| 1.2 | 1.2.1 | start-up/ variable | | |
| | 1.2.2 | gross profit | | |
| | 1.2.3 | long term | | |
| | 1.2.4 | lease | | |
| | 1.2.5 | breaking even | | |
| | 1.2.6 | unethical | | |
| | 1.2.7 | Employment Equity Act | | |
| | 1.2.8 | Contractual liability | | |
| | 1.2.9 | Tendering/ outsourcing | | |
| | 1.2.10 | fixed | | |
| | | | (10 × 1) | (10) |
| | | | | **[20]** |

**TOTAL SECTION A: 20**

## SECTION B

## QUESTION 2

2.1
- Personal selling
- How to network
- How to market the product

(Any other suitable answer related to the scenario) (2 × 2) (4)

2.2
- From Croco Shandis to wholesaler – Croco Shandis can sell the meat to to wholesalers, who then sell to retailers.
- From Croco Shandis to retailers – Croco Shandis sell meat to retailers, who then sell to the public.
- From Croco Shandis to the customer – Croco Shandis sells directly to the customer.
- Through agents – Croco Shandis sells meat through the middlemen.

(Any 3 × 2) (6)

2.3
- People need to know about the business to be able to support it.
- Buyers support people whom they feel they can trust.
- People relax and talk more when networking socially.
- Opportunity to meet new potential clients to expand the business.
- Getting exposure for the product and the business.
- Hear of possible contracts.
- Become known in the community. (Any 4 × 2) (8)

2.4
- Credit agreements with suppliers – when the supplier accepts instalment payments for the supplies, he/she sells to buy on credit.
- Credit agreements with customers – it is made between a person or party borrowing money and a lender who wants to buy on credit.
- Employment contracts – for all members of staff.
- Loan agreements for finance – is the document in which a lender – usually a bank or other financial institution.
- Lease agreements for premises – contract signed between the landlord and the tenant of a property.
- Lease of office machinery, equipment – e.g., photocopier.

(Any other suitable answer related to the scenario) (3 × 2) (6)

2.5 The Employment Equity Act will:

- promote equity in the workplace, ✓✓
- ensure that all employees receive equal opportunities ✓✓
- and that employees are treated fairly by their employers.

(Any 2 × 2) (4)
**[28]**

## QUESTION 3

3.1
- Vehicle with refrigeration
- Trailer with refrigeration
- Scale to weigh the products

(Any other relevant answer related to transport and delivery) (2 × 2) (4)

3.2
- Overdraft – when an account doesn't have sufficient funds to cover the withdrawals, but the bank allows the transaction to go through.
- Term loan – provides borrowers with a lump sum of cash upfront in exchange for specific borrowing terms.
- Mortgage – type of loan that's used to finance property.
- Lease – a contract outlining the terms under which one party agrees to rent an asset–in this case, property–owned by another party. (Any 2 × 2) (4)

3.3
- Shows the state of the cash flow in the business
- Determines if the ratio between the assets and liabilities is acceptable
- Shows the worth of the company
- Can guide the owners with strategic objectives (Any 3 × 2) (6)

3.4
- Not have a business plan or it may not be 'correct' according to what the bank requires.
- Financial statements may not be in order.
- Not have collateral to secure the loan.
- Not planned properly in terms of market research and projections.
- Not have the required capital to finance a percentage of the finance required.
- Does not have the experience of running a business so it is a greater risk.

(Any suitable answers) (3 × 2) (6)

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3.5 **Cash flow statement**

| **MONTH** | **November** | **December** | **January** |
|---|---|---|---|
| Bank balance at the beginning of the month | ✓10 000 | 7 100 | 5 200 |
| **INCOME** | | | |
| Cash sales | ✓5 600 | ✓12 000 | ✓7 200 |
| Credit sales | ✓1 600 | ✓1 400 | ✓3 000 |
| Other income | | ✓2 000 | |
| **Total income** | **✓17 200** | **✓22 500** | **✓15 400** |
| **EXPENSES** | | | |
| Cash purchases | ✓4 500 | ✓9000 | ✓6 300 |
| Credit purchases | ✓600 | ✓500 | ✓1 000 |
| Monthly expenses | ✓5 000 | 5 000 | 5 000 |
| Other expenses | | ✓2 800 | ✓1 200 |
| **Total expenses** | **✓10 100** | **✓17 300** | **✓13 500** |
| Bank balance at the end of the month | **✓7 100** | **✓5 200** | **✓1 900** |

(26)
**[46]**

## QUESTION 4

4.1
- Customers – people who buy goods or services from the businesses.
- Suppliers – a person or business that provides a product or service to another entity.
- Employees – persons employed for wages or salary, especially at non-executive level.
- Employer – person or organisation that employs people.
- Community – a group of people living in the same place or having a particular characteristic in common.
- Shareholders – person, company or institution that owns at least one share of a company's stock or in a mutual fund. (Any 4 × 2) (8)

4.2 Code of Conduct could include:
- Confidentiality of information – personal and sensitive information about employers and employees, you must not allow disclosure of this information to anyone for any purpose.
- Ethics – a set of principles that affect employee mindset and decision-making.
- Time management – helps individuals work more productively.
- Absenteeism – leads to a loss of productivity and low morale of employees.
- Following instructions from supervisors – promote freedom of expression and open communication.

(Any other suitable answer that relates to the scenario) (5 × 2) (10)

4.3
- Ensure all employees understand and can apply the standards laid down.
- Ensure that business activities conform to the expected standards.
- Processes are in place to deal with deviations.

(Any other suitable answer) (3 × 2) (6)

4.4
- Stealing of equipment, materials, or stock from the business
- Leaving early from work or arriving late
- Taking extended tea and lunch breaks
- Taking 'sick leave' when not sick
- Giving incorrect change
- Misuse of vehicle and equipment
- Mishandling of food (Any other suitable answers) (3 × 2) (6)

**[30]**

## QUESTION 5

5.1
- View the farms where the crocodiles are kept and ensure they meet the required standards.
- View the licence of the farm for the slaughtering.
- Ensure that the meat is processed in a clean and hygienic environment.
- Obtain the names of farms that conform to the standards directly from the associations. (Any other suitable answer related to the scenario) (3 × 2) (6)

5.2
- Litigation – the act, process, or practice of settling a dispute in a court of law.
- Fines or financial penalties – the obligation to pay a sum of money on conviction of a criminal or administrative offence.
- Payments to compensate for damages – the claimant for loss, injury or harm suffered by the claimant as a result of another's.
- Voiding of contracts – a formal agreement that is effectively illegitimate and unenforceable from the moment it is created.
- Damaged reputation – harm, injure or adversely affect what is said or believed about the individual's character.
- Reduction in the value of the business – the process of making something less in price, size, or amount.
- Limited business opportunities – an opportunity is a chance to take advantage of a situation.
- Difficulty in enforcing contracts – a written or oral agreement that can be imposed in a court of law. (Any 5 × 2) (10)

5.3

5.3.1 Legal liability – you are legally liable for your actions or failure to act in a certain way.

5.3.2 Vicarious liability – a person is liable for the negligent or careless actions of another.

5.3.3 Personal liability – you are held liable for your own actions.

5.3.4 Public liability – the responsibility a business has towards the public in general.

5.3.5 Contractual liability – is liability arising from a contract that has been entered into.

(5 × 2) (10)

5.4
- To establish guidelines for the conduct of the labour relationship.
- To provide minimum regulations for the conditions of employment.
- To protect employees and employers as common law does not always protect them.
- To protect the health and safety of employees and employers. (Any 3 × 2) (6)

**[32]**

## QUESTION 6

6.1
- Competitors – who are your competitors, where are they and what do they charge for the same products?
- Demands of customers – what are your customers' requirements, and what are they willing to pay for the products you offer?
- Government and other external stakeholders – are there any new laws affecting businesses?
- Lower competitor prices – you may have to reduce your prices to stay in the market.
- Higher competitor prices – people may think your products are of poor quality if much lower than competitors.
- Consumer expectations – what consumers expect for the prices they pay.
- Changes in currency rate – changes in world currency.
- Changes in interest rate – changes in interest rates.
- Legislation – government and association regulations.
- Consumer demand – consumers tastes differ, and not everyone is interested in the products.
- Availability of products – only limited supply, if demand is higher than supply the prices will go up.

(Any other suitable answer relevant to the case study) (4 × 2) (8)

6.2
- Suppliers can run out of stock as demand is more than supply available.
- May not have orders for a while and then lots of orders at one time.
- Traffic can delay the timeous arrival of the stock.
- Crocodiles not able to breed or are sick which affects the supply available.

(Any other suitable answer relevant to the case study) (3 × 2) (6)

6.3
6.3.1 Expenses
6.3.2 Expenses
6.3.3 Revenue

(3 × 1) (3)

6.4
- Ability to negotiate a better price for bulk purchases
- Ability to deliver on time
- Ability to deliver the quantity required
- Have good quality products
- Meet requirements laid out by the various Associations

(Any other suitable answer relevant to the case study 4 × 2) (8)

6.5
- Internet – allows customers to choose a product or service they want, from any supplier, anywhere in the world.
- E-mail – it provides efficient and effective ways to transmit all kinds of electronic data.
- Newspapers – provide advertisers with unique targeting opportunities.
- Pamphlets – this presents an opportunity to include a lot of important information that may convince people to utilise your brand.
- Competitors – it will help you recognise how you can enhance your own business strategy.
- It will tell you how you can outdo your competitors in these areas to keep your customers' attention.
- Resulting in a competitive edge over others in your sector.
- Yellow pages
- Word of mouth
- Associations
- Tenders
- Television (Any 8 × 1) (8)

6.6
- Shoes
- Belts
- Handbags
- Purses
- Wallets

(Any other suitable answer relevant to the case study) (3 × 2) (6)

6.7
- Chicken
- Beef
- Pork
- Mutton/lamb
- Fish
- Shellfish
- Ostrich
- Goat (Any 5 × 1) (5)

**[44]**

**TOTAL SECTION B: 180**
**GRAND TOTAL: 200**

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