higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

ENTREPRENEURSHIP
NQF LEVEL 2

(3021042)

11 March 2020 (Y-paper)
13:00–15:30

This question paper consists of 7 pages.

477Q1S2011

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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 blue or black pen.
6. Write neatly and legibly.

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SECTION A

QUESTION 1

Indicate whether the following statements are TRUE or FALSE by writing only 'True' or 'False' next to the question number (1.1–1.15) in the ANSWER BOOK.

1.1 For entrepreneurs, time is almost as valuable as money. ⌘

1.2 Independence is not one of the advantages of being an entrepreneur.

1.3 A new technological innovation is one of the threats for most businesses.

1.4 Customer relations are about customers' needs and behaviours and to develop a strong relationship with them.

1.5 The 'SWOT' analysis is useful in evaluating a potential business venture.

1.6 Variable costs are those costs in a business that stay the same every month, regardless of how many products you sell.

1.7 Entrepreneurs use a work schedule to plan their employees' duties.

1.8 The contents page of the business plan contains, among others, a 'SWOT' analysis, marketing plan and financial plan. ⌘

1.9 The financial plan outlines the marketing strategy and how you will go about selling and promoting your goods.

1.10 Identifying opportunities and a desire for responsibility are some of the characteristics of an entrepreneur.

1.11 A management plan describes your competitors and their marketing strategies.

1.12 Marketing research determines the feasibility of the product, service or the business idea. ⌘

1.13 Machinery, land and buildings are examples of current assets.

1.14 Competitive pricing refers to the practice of setting the price below the competitors' prices. ⌘

1.15 Self-assessment can be used as a tool for measuring entrepreneurial strengths and weaknesses.

(15 × 1) **[15]**

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QUESTION 2

Choose a term from COLUMN B that matches a description in COLUMN A. Write only the letter (A–Q) next to the question number (2.1–2.15) in the ANSWER BOOK.

COLUMN A		COLUMN B	
2.1	Includes the entire process, from designing the right product to promoting it to the marketplace	A	poor financial control
2.2	Entrepreneurs have a very strong drive to achieve ⌘	B	internal environment
2.3	One of the various ways to protect one's business	C	financial management
2.4	One of the main reasons why most businesses fail	D	marketing function
2.5	Business has no control over this environment	E	general increase in the prices of goods and services
2.6	Maximising investment and reducing expenses	F	self-actualisation
2.7	Inflation	G	external environment
2.8	Determines the cash needs of the business	H	trademarks ⌘
2.9	Component of the business ⌘	I	operational plan
2.10	Determines whether or not the business idea will work	J	marketing research
2.11	Factor influences pricing	K	elasticity of demand
2.12	List of intended events and their time frames	L	market share
2.13	Pricing of a product, a budgeted cash flow	M	cash flow budget
2.14	Purpose of a business plan	N	management tool
2.15	Data collected by an entrepreneur	O	financial plan
		P	schedule ⌘
		Q	primary data

(15 × 1) **[15]**

TOTAL SECTION A: 30

SECTION B

QUESTION 3

Read the scenario below and answer the questions.

BELIEVE IN YOURSELF

SHALEEN RAJABALLY is the founding owner of Natura Sugars, the only truly unrefined sugar available in South Africa. She launched Natura Sugars into the highly competitive market three years ago, and now sells her range of unrefined sugars in leading retailers nationwide. This is what she has to say about her product.

'Believe in your products. I have always been convinced that the superior taste, quality and health benefits associated with our sugars would win consumers' hearts. I also believe that people across all economic walks of life should be given the opportunity to consume the best quality products.'

'However, it was a big challenge entering the sugar category, which is so well-established. On the one hand, the industry is dominated by large producers and on the other, most people believe that the cheaper the sugar, the better. In addition, the range launched amid banting craze. As a result, it was critical to devise an educational campaign to convey our key message that 'not all sugars are created equal' and therefore, not all sugars are bad.'

'In order to convince consumers to change a lifetime habit of using white or standard brown sugar required perseverance, as well as tactical planning from professionals in marketing. I have a public relations agency generating coverage, as well as a social media team that assist me. As a retail product, we also have a strong focus on in-store promotions.'

3.1 Shaleen started her successful Natura Sugars business by developing a detailed business plan.

3.1.1 Explain the FIVE requirements for a good business plan. (5)

3.1.2 Name ONE component of a business plan. (1)

3.2 Shaleen believes in her product. Explain any other FOUR personality traits or skills that an entrepreneur should possess. (4 × 2) (8)

3.3 Mention the FOUR 'marketing mix' factors Shaleen should consider to convince customers to buy her product. (4)

3.4 Natura Sugars operates within two environments, namely internal and external.

3.4.1 Differentiate between the *internal* and *external environment* which will have an impact on the success of Natura Sugars. (4)

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3.4.2 Give ONE example of each of the above-mentioned environments. (2)

3.5 List FIVE items which Shaleen will include in the financial plan of Natura Sugars. (5)

3.6 Shaleen has created a new, unique unrefined sugar.

Explain ONE process she can follow to protect her innovation. (2)

3.7 Shaleen should build good relationships with her customers for the business to succeed.

Mention FOUR key elements that need to be present to build good customer relations. (4)

[35]

QUESTION 4

Use the following information based on Natura Sugars' business.

Salaries	R34 300
Raw materials	R17 100
Petrol costs	R3 207
Insurance premium	R1 800
Rental	R5 000
Telephone accounts	R2 200

4.1 Use the above information to calculate the following:

4.1.1 Variable cost (4)

4.1.2 Fixed cost (4)

4.1.3 Total cost (3)

4.1.4 The breakeven amount for Natura Sugars if its fixed cost amounts to R33 600 and gross profit percentage is 65%. (3)

4.2 Define the term *competitive pricing*. (1)

[15]

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QUESTION 5

5.1 Shaleen will use a work schedule as part of her planning.

5.1.1 List TWO benefits of using a work schedule. ⌘ (2)

5.1.2 Give ONE factor that can lead to Shaleen adjusting her work schedule. (1)

5.2 Explain to Shaleen the value of using and maintaining a task list for her employees. ⌘ (2)

5.3 The Natura Sugars manager must perform the management functions.

List FOUR management functions to be performed by Shaleen. (4)

5.4 Explain to Shaleen the meaning of the following terms:

5.4.1 A roster

5.4.2 A diary ⌘

(2 × 2) (4)

5.5 Mention ONE media used by Natura Sugars, in advertising its product. (1)

5.6 Discuss THREE benefits of being an entrepreneur in South Africa. ⌘ (3 × 2) (6)

[20]

TOTAL SECTION B: 70
GRAND TOTAL: 100

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