higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

ENTREPRENEURSHIP
NQF LEVEL 2

(3021042)

12 March 2018 (X-Paper)
09:00–11:30

This question paper consists of 8 pages.

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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. 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 ASWER BOOK.

1.1 The characteristics of an entrepreneur include …

A self-actualisation.
B an outgoing personality.
C organising skills.
D sharing skills.

1.2 The ability that helps to do something new, original and different is …

A innovation.
B creativity.
C mind-mapping.
D brainstorming.

1.3 … is/are regarded as ONE of the threats in the SWOT analysis.

A Lack of certain skills
B Lack of business experience
C New competitors
D Personal growth

1.4 … do/does NOT prevent people from buying products or services.

A Values
B Cultural preferences
C Attitude
D The market

1.5 … is ONE of the most important functions that the entrepreneur must perform.

A Designing
B Marketing
C Targeting
D Surveying

1.6 … is/are regarded as a way used by an entrepreneur to communicate with the market.

A Selling
B Promotions
C Persuading
D Technique

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1.7 What information about a company is published by the news media?

A Publicity
B Public relations
C Sales
D A sample

1.8 … is/are NOT included in the marketing mix.

A The product
B The price
C Sales
D Promotions

1.9 The … is a brief and concise description of the purpose.

A mission
B strategy
C vision
D action plan

1.10 In the strategy, logistics is about …

A what you need.
B how you will make money.
C where the business will be located.
D what you will provide.

1.11 This involves delegating responsibilities to others:

A Know why you delegate
B Give clear instructions
C Show commitment
D Understand what the plan is.

1.12 A list of intended events and their time frames:

A Questionnaire
B Schedule
C Action plan
D Time frames

1.13 … is considered as one of the stages of planning.

A Being flexible
B To create scenarios
C To formulate objectives
D To make observations

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1.14 … is regarded as an asset that is used by a business.

A Capital
B Market share
C Cash flow
D Profit

1.15 When the price is increased and demand remains the same, then the demand is …

A elastic.
B inelastic.
C regulated.
D None of the abovementioned

(15 × 1) **[15]**

QUESTION 2

Complete the following sentences by using the words provided in the list below. Write only the words next to the question number (2.1–2.15) in the ANSWER BOOK.

deadlines; beliefs and customs; political forces; profit; organising skills; technical skill; financial control; brainstorming; management and behaviour; questionnaire; advertising; gross profit; operation plan; marketing plan; macro; urbanisation; financial plan; market research; fixed costs; basic research; overheads

2.1 … are a characteristic of an entrepreneur which involves organising people, assets, equipment and stock.

2.2 Lack of this factor leads to the success or failure of an entrepreneur.

2.3 It is one of the challenges found in the external environment.

2.4 It is the process of idea generation involving more than one person.

2.5 The entrepreneur will conduct … to see if the business idea is feasible, viable and marketable.

2.6 … is used by the entrepreneur to find out more about the wants and needs of the target market.

2.7 The … is the difference between the cost price and selling price of a product.

2.8 These are the costs that cannot be put down to a particular product.

2.9 … is an example of a method that can be used for promotion.

2.10 … is the money after the variable cost has been deducted.

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2.11 … cannot be altered, they must be adhered to at all cost.

2.12 Gives details of the equipment needed.

2.13 … are examples of a social environment.

2.14 … is regarded as an example of social forces.

2.15 Different components of a business plan include the …

(15 × 1) **[15]**

TOTAL SECTION A: 30

SECTION B

QUESTION 3

Read the case study below and answer the questions.

BOUNCE BACK IN BUSINESS

Ask any entrepreneur, he/she will tell you that starting a business and succeeding despite mistakes, failings and setbacks is tough. So, what does it take to survive your early shortcomings and see real business growth and maturity? Good guidance, perseverance and most importantly, a plan.

PLAN TO PERSEVERE

Entrepreneurship is not for the faint-hearted. 'Even if you tick all the boxes, business does not just come rolling in. You need to get your strategies in place, work at them and persevere', shares Glenda Pieters, an entrepreneur and business woman. As part of a team of three behind a company called Naturally Good, Glenda learnt these lessons the hard way. Before launching her business, which produces natural and environmentally-friendly cleaning material, she and her sister Charlene closed their first venture, Eco Intelligent. According to Glenda, the company fell prey to poor planning and a partnership that was pulling in different directions. However, when the sisters reorganised themselves, their biggest mistakes became their greatest lessons and they came up with a clear plan and strategy.

WORK ON YOUR BUSINESS, NOT ONLY IN IT

A clear vision of what you are going to do and how (broken down into step-by-step) is crucial to any business success, affirms Neal Roberts, an entrepreneur, business enabler and coach. Neal Roberts also states that, 'Many new entrepreneurs work in their business, rather than on the business. They get so caught up in the day-to-day satisfying of clients that they don't take a step back to look at the key indicators that tell whether their business is working successfully.' The results? Big mistakes, massive setbacks and business failure.

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3.1 Businesses begin with a business plan.

Explain to Glenda FOUR purposes of drawing up a business plan. (4 × 2) (8)

3.2 Name FOUR personality traits that Glenda should have that would contribute to her success as an entrepreneur. (4 × 2) (8)

3.3 Sales of Glenda's products are influenced by the price on each product.

Name FOUR factors which will influence her pricing. (4)

3.4 Glenda has identified a unique business which deals with care products.

Explain any TWO methods she can use to protect her innovation. (2 × 2) (4)

3.5 Explain how the following factors might impact on Glenda's operations:

3.5.1 Attitude

3.5.2 Religion

(2 × 2) (4)

3.6 A good management skill is necessary in all businesses.

Name FOUR management functions. (4)

3.7 Explain to Glenda the difference between primary and secondary data. (2 × 1) (2)

3.8 Discuss FOUR customer relations practices which can be used by Glenda in the running of her business. (4 × 2) (8)

[42]

QUESTION 4

4.1 Proper planning is important to Glenda. Explain to her the following terms:

4.1.1 Prioritising tasks

4.1.2 Task list

(2 × 2) (4)

4.2 Discuss FOUR of the factors that would fall under the description of Glenda's business if she wants to compile a business plan. (4 × 2) (8)

4.3 What do you understand by the *conciseness* and *comprehensiveness* of a business plan? (2 × 2) (4)

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4.4 4.4.1 What form of business does Glenda have?

4.4.2 Give ONE reason for the answer to QUESTION 4.4.1.

(2 x 1) (2)
[18]

QUESTION 5

Glenda is interested in knowing the variable, fixed and total costs.

Figures for the various costs are as follows:

Salaries	R18 700
Material	R12 800
Insurance	R1 300
Rent of building	R5 300
Telephone account	R2 400

Use the above information to calculate the following costs:

5.1 Variable costs (3)

5.2 Fixed costs (4)

5.3 Total costs (3)
[10]

TOTAL SECTION B: 70
GRAND TOTAL: 100

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