higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

ENTREPRENEURSHIP
NQF LEVEL 2

(3021042)

22 November 2018 (X-Paper)
09:00–12:00

Calculators may be used.

This question paper consists of 7 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.

NCV

SECTION A

QUESTION 1

Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'true' or 'false' next to the question number (1.1–1.15) in the ANSWER BOOK.

1.1 Inter-personal skills, for example excellent selling skills, are regarded as important skills of the entrepreneur.

1.2 Contents page should give an overview of the items that will be in the business plan.

1.3 Break-even point refers to a point in the business where you make profit.

1.4 A time frame is a specific period within which a task must be completed.

1.5 The nature of a product is one of the characteristics of an entrepreneur.

1.6 Improvements on products and services are a way of competing with other businesses.

1.7 An entrepreneur can use a business plan to request finance.

1.8 A mentor is a wiser colleague who can pass knowledge and experience.

1.9 To prioritize means to put tasks in order of importance and deadlines.

1.10 Communicating with a potential customer is considered as one of the methods of promotion.

1.11 A business plan can be prepared within a day.

1.12 Good after-sales service creates loyal customers who will keep coming back.

1.13 The principle of pricing involves determining all potential variable costs per product.

1.14 The tax rates for businesses are regarded as one of the social forces.

1.15 Start-up capital refers to money or assets that are used by a business.

(15 × 1) **[15]**

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QUESTION 2

Choose a/an item/word from COLUMN B that matches a description in COLUMN A. Write only the letter (A–P) next to the question number (2.1–2.15) in the ANSWER BOOK.

COLUMN A		COLUMN A	
2.1	It means that an entrepreneur needs to make other people believe in him/her and the business idea	A	product
2.2	Product costing and pricing of the product	B	unemployment
2.3	Net profit is expressed as a percentage(%) of …	C	outgoing
2.4	It is included in the marketing function	D	personal computer
2.5	Electronic diary	E	independence
2.6	Is an example of social forces	F	business plan
2.7	The … of potential customers is influenced by various factors found in the business environment	G	financial plan
2.8	It is a roadmap explaining every aspect of your business venture	H	attitudes
2.9	Stock you buy and sell in a business	I	inventory
2.10	… is an advantage of being an entrepreneur	J	sales
2.11	Sales *minus* cost of sales	K	management plan
2.12	General increase in the price of goods and services	L	inflation
2.13	Loans over one year	M	control
2.14	A Management function	N	financial control
2.15	This is probably the main reason why most business fail	O	gross profit
		P	long term liability

(15 × 1) **[15]**

TOTAL SECTION A: 30

SECTION B

QUESTION 3

Read the extract below and answer the questions.

UNEARTHED

Mining entrepreneurs:
Two young South African scientists decided to mine
their experience and start their own business

Sharon Musiiwa Mugabi (28) and Munei Raphalalani (31) are now the owners of Ronewa Analytical Laboratory which provides coal testing and analysis.

As a start-up in 2013, with no capital or clientele history, the odds were heavily stacked against them. 'Access to funding was a major challenge for us as most funding institutions were not prepared to take a risk to fund a start-up entity,' said Mugabi.

They applied for a loan from the Industrial Development Corporation (IDC) to help them fund the purchase of equipment and vehicles required to set up their operation in Limpopo's capital, Polokwane.

Mugabi said, 'The IDC has not only helped us with funding, but it has also provided guidance and business support programmes which we desperately needed as start-up entrepreneurs'.

'Being passionate about what we do influenced us to start Ronewa Analytical Laboratory. We wanted to play a meaningful role in our country by curbing the high unemployment rate that South Africa faces', said Mugabi. But they warn that being your own boss is not for everyone.

'If entrepreneurship was easy, everyone – or most people would be doing it. For us to succeed, we had to stand out and be different. We took daily steps towards our dream. Through prayer, dedication, hard work and persistence, we prospered.'

They work in a tough, competitive and strict industry that requires high standards as their work entails analyzing coal for physical and chemical properties.

The company's workforce has gradually grown from two employees to five full-time workers. They are looking for further growth to more than 40 staff members this year. Ronewa plans to expand to many regions in South Africa and beyond, which is a strategy that they have already began to initiate.

[Adapted from City Press; 9th of July 2017]

3.1 Discuss the following characteristics of an entrepreneur with specific reference to the Ronewa company.

3.1.1 Desire for responsibility

3.1.2 Preference for moderate risk

3.1.3 Identifying opportunities

3.1.4 Organising skills

(4 × 2) (8)

3.2 Ronewa company has employed 5 full time employees.

What is the importance of a *task list* for these employees? (2)

3.3 3.3.1 Differentiate between *internal* and *external* environments which will impact on Ronewa company. (4)

3.3.2 Give ONE example of each of the above-mentioned environments in QUESTION 3.3.1. (2)

3.4 Give FOUR reasons for Ronewa company to have a business plan. (4 × 2) (8)

[24]

QUESTION 4

4.1 Use the following information based on Ronewa Business to answer the questions that follow.

Salaries	R 16 500
Material	R 13 800
Insurance Premium	R 1 500
Rent of Buildings	R 2 600

Calculate the following:

4.1.1 Variable Cost (2)

4.1.2 Fixed Cost (2)

4.1.3 Total Cost (1)

4.1.4 The variable cost, if the total cost is R 3 500, and the fixed cost amounts to R 2 100 (2)

4.1.5 The break-even amount for Ronewa Company, if it's fixed cost amounts to R 15 200 and gross profit percentage is 95% (3)

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

[11]

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QUESTION 5

5.1 Re-arrange the following steps of the market research process:

- Identify sources of information
- Report findings
- Identify findings
- Identify the research problem
- Determine the kind of information required
- Analyze and interpret the data
- Collect the data
- Formulate opinion (7 × 1) (7)

5.2 Ronewa company operates in a competitive environment.

5.2.1 Name and explain FOUR different ways in which the company can compete in this environment. (8)

5.2.2 Explain the term *competitive advantage*. (2)

5.2.3 Name ONE competitive advantage of Ronewa company. (1)

5.3 Explain how the use of the following diaries can help Ronewa Company in managing time efficiently.

5.3.1 Electronic diaries (2)

5.3.2 Desk diaries (2)

5.4 Name the THREE values that an entrepreneur needs to have to be successful. (3)

5.5 Give TWO reasons why entrepreneurs are important in South Africa. (4)

5.6 Ronewa company's business plan is not well written.

Explain the following components of a business plan.

5.6.1 Marketing Plan

5.6.2 Management Plan

5.6.3 Financial Plan

(3 × 2) (6)
[35]

TOTAL SECTION B: 70
GRAND TOTAL: 100

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