higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE (VOCATIONAL)

NEW VENTURE CREATION
NQF LEVEL 4

XX February 2020

This marking guideline consists of 7 pages.

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SECTION A

QUESTION 1

1.1 A
1.2 A
1.3 C
1.4 A
1.5 A
1.6 D
1.7 D
1.8 A
1.9 A
1.10 C

(10 × 2) **[20]**

TOTAL SECTION A: 20

SECTION B

QUESTION 2

2.1
- Able to identify an opportunity or need and act on it
- An approachable person
- Willing to take risks (Any relevant 2 × 2) (4)

2.2 2.2.1 Next to the municipal offices.
Next to the licensing department.
In a shopping centre.
In a main street going to the home affairs department.
(Any relevant answer 1 × 2) (2)

2.2.2 The shopping centre has a lot of potential customers that might need to renew their licenses/vehicle disks.

Customers that need to use their queuing services will have quick access to their business if it is located near the municipal or licensing offices. (Any relevant answer 1 × 2) (2)

2.3
- Helps to meet people who may be potential customers
- Gains exposure for the business
- People need to know about the business in order to support it
- People like to support someone they have met personally and feel they can trust
- People relax and talk more when networking socially (Any 4 × 2) (8)

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2.4
- Lease agreements
- Employment contracts
- Supplier contracts
- Employment contracts for all members of staff
- Lease agreements for office machinery, equipment, for example photocopier
- Loan agreements (Any 4 × 2) (8)

[24]

QUESTION 3

3.1
- Cell phone costs✓– airtime to SMS and contact clients✓
- Petrol✓– for using her vehicle for the business✓
- Basic stationery✓ – pen, receipt book, files for client information✓

(Any relevant 3 × 2) (6)

3.2 3.2.1 Gross profit = sales✓ – cost of sales✓

3.2.2 Net profit = gross profit✓– fixed costs✓

(2 × 2) (4)

3.3
- Tax purposes
- Applications for personal loans or overdrafts
- Collateral purposes
- Annual financial statements (4 × 2) (8)

3.4

DEBT FINANCING	EQUITY FINANCING
• Need to repay the loan with interest✓✓ • Once paid back, you do not owe the person who lent you the money anything✓✓ • Creditors have a legal right if they are not paid • Too much debt can lead to financial difficulties	• Equity financing is when the person who is lending the money is doing so in return for 'ownership' of something, such as shares in the business or a say in how the business is managed✓✓ • Money may or may not have to be repaid✓✓

(8)

3.5 3.5.1 Equity financing (1 × 2) (2)

3.5.2 Using the profit gained from customers who paid for the expenses of the business as customers paid the amount required plus profit upfront

(Any other relevant answers relating to the case study)(1 × 2) (2)

3.6
- Is the asset value stable and constant?
- Does the asset legally belong to the person offering it as collateral?
- Is there a demand for the product on the market (can it be sold easily to get the money)?
- Will the asset depreciate quickly in value, for example stock market shares? (4 × 2) (8)

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3.7 When borrowing money, you normally need to pay it back with interest. Give the formula used to calculate monthly loan repayments when you know what the loan value, interest rate and number of years you will be paying back the loan are.

Monthly repayment✓ = loan value✓ + total interest✓
Number of years✓ × 12✓ (months per year) (5)
[43]

QUESTION 4

4.1

Q4U✓
CODE OF CONDUCT✓

INTEGRITY
At Q4U, we respect the interests of our clients, honour our commitments, and we promise only what we can deliver✓✓

SECRECY AGREEMENTS
All new employees commit, through signing a secrecy agreement with their employment contracts✓✓ Transgression will lead to heavy legal/disciplinary actions taken against employees.

CONFIDENTIALITY OF INFORMATION
Q4U maintains appropriate control and monitors the transfer of confidential and sensitive information.✓✓Client's documentation are kept safe at all times and premises are monitored using CCTV.

FAIRNESS
Q4U is committed to treating our clients consistently, fairly and in a non-discriminatory manner.✓✓

CLIENT FOCUS
We actively seek to distinguish ourselves by providing our clients with the most reliable, quickest, professional and most efficient service.✓✓

RESPECTING THE EMPLOYER'S TIME
All employees are expected to respect the employer's time by being punctual for work, being always available to offer service to clients and refraining from unnecessary absenteeism.

E-MAIL AND INTERNET ACCESS
All workers are allocated individual passwords, these passwords may not be shared with anyone else. E-mail and internet should only be used for work-related communications.Q4U has the right to monitor the use of these systems.

(Any other suitable answer that relates to the case study)(Any 5 × 2)
(1 mark for company's name and 1 mark for title)
These are a few possible answer. The student has to expand on each item. No mark if heading only is given; if heading and explanation: 2 marks (12)

4.2
- Customers
- Suppliers
- Employees
- Employer
- Community
- Shareholders (Any 4 × 1) (4)

4.3
- Stealing equipment or materials from the business
- Making copies of clients' personal information and using it fraudulently
- Making copies of clients' personal information and selling it

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

4.4
- Talk to the employee privately and give him or her opportunity to explain their conduct.
- Try and find a solution to the problem with regard to the employee's conduct.
- Speak to the employee's supervisor to monitor the employee's conduct.
- If the employee still does not change his or her behaviour, follow the disciplinary steps stipulated in the Labour Relations Act. (Any 3 × 2) (6)

[28]

QUESTION 5

5.1 5.1.1 You are legally liable for your actions or failure to act in a certain way.

5.1.2 Liability arising from a contract

5.1.3 You will be held liable for your own actions.

5.1.4 One person is liable for the negligent or careless actions of another.

(4 × 2) (8)

5.2
- Employment Equity Act
- Basic Conditions of Employment Act
- Labour Relations Act
- Occupational Health and Safety Act
- Constitution : Freedom of Association (Any 4 × 2) (8)

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5.3
- Full name and address of the employer
- Name and occupation of the employee
- Brief description of the work required to be done
- Place of work
- Normal hours and days of work
- Length of contract, including termination date, if required
- Agreed rate of payment for normal hours
- Agreed rate of payment for overtime worked
- Other payments and allowances
- Frequency of remuneration
- Full details of deductions
- Name of person to whom employee reports
- Details of leave
- Notice period required for resignation/termination of employment
- Details of disciplinary procedure (Any 6 × 2) (12)

5.4
- All documents not in use are to be kept in a lockable filing cabinet.
- The filing room needs to be locked and only limited assess access provided.
- Install security cameras in the office.
- Declaration of secrecy signed by staff members (Any relevant 3 × 2) (6)

[34]

QUESTION 6

6.1 6.1.1 Salaries, rent, insurance, loan repayments, insurance, vehicle repayment (Any relevant 5 × 1)

6.1.2 Wages, water and electricity, telephone or cell phone costs, petrol/fuel, vehicle repair costs (Any relevant 5 × 1) (10)

6.2
- Company objectives
- Marketing strategy
- Costs
- Capacity of premises
- Capacity of machinery and equipment
- Ability of employees
- Capacity to distribute extra products (Any 5 × 2) (10)

6.3
- Marginal costing
- Traditional costing
- Job order costing
- Activity based costing
- Variable costing (Any 3 × 2) (6)

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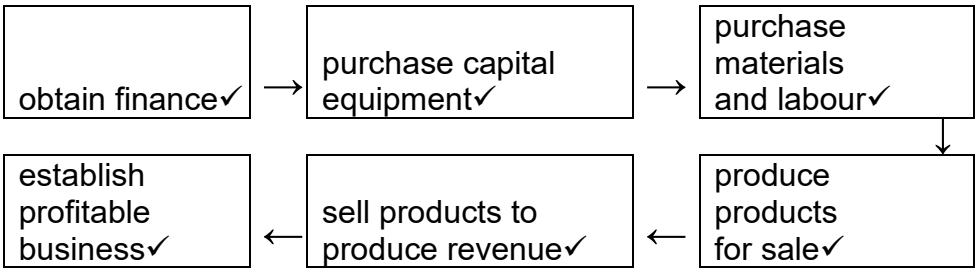
6.4
- Net profit – money left over after deducting tax and interest on loans
- Gross profit – money the business makes after subtracting expenses directly related to production
- Operating profit – money the business makes after deducting all other expenses that are not directly related to production (3 × 2) (6)

6.5



✓ – for flow chart
✓ – for directional arrows (8)

6.6
- Buying and delivering food, et cetera, for people who are not able to leave their homes for various reasons
- Collecting medication for people who are sick (Any relevant 2 × 2) (4)

6.7

INCOME AND EXPENDITURE STATEMENT OF Q4U FOR THE MONTH END JANUARY 2020		
SALES		20 000
LESS COST OF SALES		**✓6 000**
GROSS PROFIT		**✓14 000**
LESS EXPENSES		**✓2 300**
SALARIES	1 000	
ADVERTISING	100	
TRANSPORT	**✓500**	
TELEPHONE	**✓700**	
NET PROFIT		**✓✓11 700**

(7)
[51]

TOTAL SECTION A: 180
GRAND TOTAL: 200

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