higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

N710(E)(N13)H
NOVEMBER EXAMINATION

NATIONAL CERTIFICATE

INTRODUCTORY ENTREPRENEURSHIP N4

(4090294)

13 November 2014 (X-Paper)
09:00–11:00

This question paper consists of 5 pages.

BUSINESS STUDIES

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE
INTRODUCTORY ENTREPRENEURSHIP N4
TIME: 2 HOURS
MARKS: 100

NOTE: If you answer more than the required number of questions, only the required number of questions will be marked. All work you do not want to be marked must be clearly crossed out.

INSTRUCTIONS AND INFORMATION

1. Answer any FOUR questions.
2. Read ALL the questions carefully.
3. Number the answers correctly according to the numbering system used in this question paper.
4. Do all calculations to two decimal figures.
5. Write neatly and legibly.

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The best of home cooking

Celebrities visiting South Africa love hanging out at Wandile's place in Soweto, a restaurant known for Chef Wandile Ndala's fantastic buffet as well as his warm-hearted welcome.

Wandile's Place is an institution in Soweto, having been there for 33 years. 'I opened the restaurant in 1981, during apartheid, when the only source of entertainment and opportunity for black people to come together was at a shebeen or spaza'. While the food attracts the visitors, it's the vibe that makes them feel at home. 'It's unique, says Wandile, because it's very homely and everyone feels comfortable here'.

The restaurant is still in the space where is started, but now Wandile can seat 60 people in two separate sections. The buffet is legendary and diners can feast on South African specialties such as grilled chops, fish cutlets or mogodu. Every dish is served with choice of pap, rice, samp, ting or dumplings and the buffet includes vegetables, six salads and a range of desserts including ice cream, fruit salad, custard and jelly.

The tourist come during the week when the locals are working, says Wandile and at the weekends the locals bring their families after soccer or church and sit here until late.

Wandile has been interested in cooking since he was a child and says that he learned most of what he knows from his mother and grandmother. He attributes his success to putting in a lot of effort over the years. Success comes after hard work, he says,' you have to be patient, careful with finances, neat clean and hands-on as an owner and chef 98% of the effort comes from you'.

IN-HOUSE CLUB MAGAZINE 2006

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QUESTION 1

1.1 Define the term 'entrepreneur'. (4)

1.2 Wandile obtains a loan for R50 000,00 from Standard Bank for 5 years at a rate of 22.5% per annum.

Use the following formula and calculate the simple interest payable over the 5 years.

$$I = \frac{P \times r \times t}{100}$$

(4)

1.3 Wandile is busy with market research project.

Name THREE methods of collecting primary data. (3)

1.4 Name and describe the different stages in the life cycle of a product. (8)

1.5 List any SIX factors that will influence the location of Wandile's business enterprise. (6)

[25]

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QUESTION 2

2.1 Give FIVE functional activities which are important for Wandile in managing his business enterprise. (5)

2.2 Name the basic contents of the marketing plan as an element of a business plan. (7)

2.3 The purchasing function is responsible for all activities related to the acquisition of goods and services.

Describe any FIVE activities of the purchasing function in a business enterprise. (5)

2.4 Describe THREE ways in which Wandile may try to improve his creative thinking and intuition. (3)

2.5 Wandile purchases vegetables from a supplier in Johannesburg. He gets a cash discount of 6.5% on his account if he pays within 7days. The amount on the invoice is R15 500,00.

Calculate the cash amount payable if he pays within three days. (5)
[25]

QUESTION 3

3.1 Security measures play a very important role in the limitation of stock losses and safe stock piling methods.

State FOUR measures Wandile will take to manage his stock effectively and minimise stock losses. (4)

3.2 Wandile must compile his marketing mix.

Which elements will he include in this description? (5)

3.3 Differentiate between fixed and variable costs, and give ONE example of each. (4)

3.4 Calculate the cash discount of 5.25% on a sales amount of R20 000,00. (2)

3.5 Name FOUR characteristics of the free-market system. (4)

3.6 Name SIX different sources of own capital Wandile must take into consideration. (6)
[25]

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QUESTION 4

4.1 The price of buffet is increased from R70,00 to R85,00.

Express the price increase as a percentage. (3)

4.2 State at least SIX functions of a business enterprise. (6)

4.3 Name at least TWO target markets or segments that Wandile will serve. (2)

4.4 Calculate the number of days from 7 January 2014 to 30 June 2014. (3)

4.5 Explain the importance of a business plan in a business. (5)

4.6 Describe SIX important reasons for the effective packaging of products. (6)
[25]

QUESTION 5

5.1 As an entrepreneur, Wandile is working very hard to improve the economic situation in South Africa.

State FOUR advantages or benefits (rewards) that he will receive as an entrepreneur (4)

5.2 Wandile is concerned about the control of cash in his business.

Suggest FIVE ways in which he can control it. (5)

5.3 Give THREE benefits of publicity. (3)

5.4 Wandile wants to introduce new menu in his business.

Which TWO pricing strategies will he use? (2)

5.5 Wandile needs financial assistance from the bank.

Give FIVE forms of security he will give to the bank to secure a loan. (5)

5.6 Wandle's net profit decreased by 10% in 2014, while his net profit for the year 2013 was R 124 000,00.

Calculate his net profit for 2014. (4)

5.7 Increase R325.75 by 20%. (2)
[25]

TOTAL: 100

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