higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

NOVEMBER EXAMINATION

INTRODUCTORY ENTREPRENEURSHIP N4

16 NOVEMBER 2016

This marking guideline consists of 6 pages.

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QUESTION 1

1.1 R500 × 4
= R2 000 per month (2)

1.2
- Product
- Price
- Place
- Promotion
- Personnel (5 × 1) (5)

1.3
- Introducing more capital into business
- Introducing more skills into business
- Eliminating harmful competition by the joining of a new partner
- Retaining a competent employee by inviting him as a partner (Any 3 × 1) (3)

1.4 I = P × r × t/100
= R60 000 × 20 × 5/100
= R60 000 (3)

1.5
- Land
- Labour
- Capital
- Technology
- Entrepreneurship (5 × 1) (5)

1.6 Insurable risks and noninsurable risks (2)

1.7
1.7.1 One
1.7.2 R6 180
1.7.3 South African Revenue Services
1.7.4 Operating
1.7.5 Services
(5 × 1) (5)
[25]

QUESTION 2

2.1
2.1.1 True
2.1.2 False
2.1.3 False
2.1.4 True
2.1.5 True
(5 × 1) (5)

2.2
- Makwetsa conducted thorough market research and realised that there would be a great need for electrical appliances in the area of Botlokwa.
- There are no other shops in the area that supplies these products.
- The nearest competitors are in Polokwane, ± 60 kilometres from Botlokwa.

(3 × 1) (3)

2.3 His target market consists of the inhabitants of Botlokwa and the surrounding areas. (2)

2.4
- Market size
- Transport facilities
- Parking facilities
- Capital
- Housing
- Land
- Competitors
- Electricity and water
- Municipal concession rates and taxes
- Climate (Any 5 × 1) (5)

2.5
- Creation of job opportunities
- Initiation of the production process
- Utilisation of natural resources
- Generation of wealth and higher standard of living (Any relevant 3 × 1) (3)

2.6
- The purchaser receives the goods.
- He pays a deposit and instalments.
- He does not get ownership before final instalments are settled. (3 × 1) (3)

2.7
- A positive outlook on life
- Achievement
- Control of destination
- Identifies business opportunities
- Initiative
- Ability to live with uncertainty
- Perseverance
- Support of the family (Any relevant 4 × 1) (4)

[25]

QUESTION 3

3.1
- Fixed: Vary little over one year
- Variable: Vary as sales and production vary (2 × 2) (4)

3.2
- Recruiting staff
- Training/educating personnel
- Determining remuneration
- Creating a favourable and safe work atmosphere
- Retaining a stable and happy workforce (Any relevant 5 × 1) (5)

3.3
- List the products and services to be offered.
- List the potential supplier.
- List the purchase price of each product or service.
- List other conditions of sale and unique advantages.
- Select suppliers according to conditions in your favour.
- Decide on product and service recipe.
- Control and revise the situation regularly. (7 × 1) (7)

3.4
- Supplier's credit
- Bank overdraft
- Short-term loan
- Credit agreement (hire-purchase)
- Leasing (5 × 1) (5)

3.5 R525,75 × 135/100
= R709,76 (4)
[25]

QUESTION 4

4.1
- Marketing mix elements
- Description of target market
- Identification of immediate competitors
- SWOT analysis
- Calculation of the market size in rand value
- Identification of opportunities to expand on business activities (6 × 1) (6)

4.2 Basic Conditions of Employment Act (1)

4.3 = 35/70 × 100
= 50% (3)

4.4
- Makwetsa used both his own and borrowed capital.
- He used his R30 000 to buy a second-hand bakkie to do deliveries and borrowed R60 000 to buy the initial stock. (3)

4.5 Systems where decisions what individuals/households/businesses need and buy determines what and how businesses produce and sell.

OR

Free market is a system in which the prices for goods and services are determined by the open market and consumers, in which the laws and forces of supply and demand are free from any intervention by government, price-setting monopoly or other authority. (3 × 1) (3)

4.6
- The profit motive may result in the exploitation of consumers.
- Harmful products are sold.
- Employees are exploited to decrease cost.
- Competition causes waste.
- It is unequal distribution of wealth.
- Pollution, noise and smell become worse.
- Monopolistic enterprises manipulate the system to their advantage.
- The responsibility of the government is to intervene. (Any 4 × 1) (4)

4.7
- Seeking profit
- Business growth
- Increasing market share
- Product/service quality
- Social responsibility (5 × 1) (5)

[25]

QUESTION 5

5.1 Jan 30 (31–1)
Feb 29
Mar 31
Apr 30
May 31
Jun 30
Jul 11
= 192 days (2)

5.2 5.2.1 Sole trader
5.2.2 Partnership
5.2.3 Public company
5.2.4 Private company
5.2.5 Close corporation (5 × 1) (5)

5.3	• Professional-looking cover page • Interesting introduction • Summary of the industry • Market research analysis • Proposed marketing plan • Proposed financial plan • Proposed manufacturing and operating plan • Managerial activities • Identification of critical risks and problems • Positive and motivating conclusion	(10 × 1)	(10)
5.4	• Promotion of the product • Protection of the product • Storing of the product • Convenient handling of the product • Economic transportation of the product • Differentiation of the product from other products	(6 × 1)	(6)
5.5	• He identified a business opportunity. • He was unemployed.		(2) **[25]**
		TOTAL:	**100**

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