higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

INTRODUCTORY ENTREPRENEURSHIP N4

14 NOVEMBER 2018

This marking guideline consists of 7 pages.

Copyright reserved

QUESTION 1

1.1
- Resources are in the possession of private persons.
- Production is exercised by private businesses.
- The aim is to make a profit.
- Demand and supply determines the prices of goods/services.
- The state keeps the peace in the country. (Any 3 × 1) (3)

1.2
- The profit motive may result in the exploitation of consumers.
- Harmful products may be sold.
- Employees are exploited to decrease cost.
- Competition causes waste.
- Unequal distribution of wealth.
- Pollution, noise, smell become worse.
- Monopolistic enterprises manipulate the system to their advantage.
- The responsibility of the government is to intervene.
- Monopolies do exist in real life. (Any 3 × 1) (3)

1.3
- Land – rent.
- Capital –interest.
- Labour – wages and salaries.
- Entrepreneurship – profit.
- Technology – rent/interest. (5)

1.4 $= R25\,000 \times \frac{6.5}{100}$
= R1 625✓
= R25 000 – R1 625
= R23 375✓ (2)

1.5 = R250 × 4
= R1 000✓✓ (2)

1.6 = R4,02–R3,72
= R0,30✓
$= \frac{R0,3 \times 100}{3,72 \times 1}$
= 8,06%✓

(Calculations must be rounded off to TWO decimals) (2)

1.7
- Easy and inexpensive
- Perpetual continuity
- Limited liability
- More growth than in sole trader
- No external auditors
- More capital can be raised
- Dividends are shared among maximum ten members
- Greater degree of direct control
- Dividends to members taxed on a lower rate (Any 5 × 1) (5)

1.8 = 10 + 15
= 25✓
$= \frac{15 \times 100}{25 \times 1}$
= 60,00%✓✓ (3)
[25]

QUESTION 2

2.1
- It is a structured guideline to achieve the entrepreneurial goal.
- Thoughts will be put in a logical order.
- It simulates reality in the business world.
- It is the entrepreneur's working action plan.
- Tool to obtain financial assistance.
- Viability and feasibility of the business venture is measured.
- It is an essential decision-making tool in the management of the business enterprise. (Any 5 × 1) (5)

2.2
- Services are intangible.
- Services are usually tailored specifically for the needy customer.
- Services and the supplier cannot be separated. (3)

2.3
- Cession
- Surety
- Mortgage bond
- Fixed deposits (Any 3 × 1) (3)

2.4
- Life insurance
- Fire insurance
- Storm damage
- Theft and burglary (4)

2.5
- Supplier's credit
- Bank overdraft
- Short term loan
- Credit agreement (hire purchase)
- Leasing (Any 4 × 1) (4)

2.6 = R125,50 × 85%
= R106,68✓✓

OR

= R125,50 × 15/100
= 18,83✓
= R125,50 – R18,83
= R106,67✓ (2)

2.7
- Look for business opportunities.
- Challenge existing products and services.
- Adopt a creative attitude.
- Notebook for ideas.
- Opportunities first, threats second. (Any 4 × 1) (4)

[25]

QUESTION 3

3.1
- He lost his job as shop assistant.
- In order to make a living or profit (money).
- To be his own boss.
- To do something he enjoys.
- He identified a business opportunity. (Any 2 × 1) (2)

3.2 $I = \frac{10\,200 \times 10 \times 2}{100}$✓✓
$= \frac{204\,000}{100}$
= 2 040,00✓✓ (4)

3.3 3.3.1 Basic Conditions of Employment Act
3.3.2 South African Revenue of Services
3.3.3 Department of Trade and Industry
(3 × 1) (3)

3.4 Advertisement✓
Marks are allocated according to own discretion for the advertisement – must include the following:
- Attention✓
- Interest✓
- Desire✓
- Action✓ (5)

3.5
- The correct purchase will be made.
- Stock will be controlled.
- Management information is available.
- Operating capital will be optimally used.
- Competitive sales techniques are used.
- Minimum working capital will be invested in stock. (Any 4 × 1) (4)

3.6
- Market
- Parking facilities
- Transport facilities
- Labour supply
- Municipal concessions and rates
- Capital
- Electricity and water supply
- Competition
- Housing
- Industrial areas
- Climate
- Raw material (Any 7 × 1) (7)

[25]

QUESTION 4

4.1
- A cash flow statement
- Break-even point calculations
- Start-up costs
- Income statements
- Balance sheets
- External financing required for securities (6)

4.2 Are you satisfied with the products offered at the Café?
Yes O No O✓✓
What other products would you like to be available at the Café?
……✓✓
Do you have any recommendations for the Café?
……✓✓
Are you satisfied with the prices offered at the Café?
Yes O No O (6)

4.3
- He can make unlimited profit.
- He has control over his own destiny.
- He contributes to society.
- He can reach his full potential.
- He is recognised for his efforts. (Any 3 × 1) (3)

4.4
- Age: Customers of all ages can buy groceries from Kwapeng's café (from school children to adults).
- Education: Customers do not have to be educated to buy from the café. It includes housewives, teachers, road workers and school children.
- Income: The café caters mainly for lower and middle income levels.
- Gender: Both males and females can buy from Kwapeng's café.
- Location: The café is located in Soweto (Mofolo North, Dube) and thus caters for customers in that area.
- Occupation: Customers from any occupation may buy from the café.

(Any 5 × 2) (10)
[25]

QUESTION 5

5.1 15% (1)

5.2
- Knowledge and skills: He has experience as a shop assistant at Pick n Pay.
- Contacts: Suppliers such as Metro, trade centre, a bakery in Johannesburg and his current customer base.
- Funds: The case study gives no indication of his funds, however, he moved to a bigger premises which might indicate that he had enough money to cover the rent and overheads of the new premises. (3)

5.3
- Confidence in their ability to succeed
- Organising skill
- Energetic
- Desire for responsibility
- Identifying opportunities
- Urge to achieve
- Preference for moderate risk (Any 5 × 1) (5)

5.4
- He will use it to determine his income.
- To determine his operating expenses/control expenditure.
- To determine on a monthly basis, whether his café is making a profit or a loss.
- Budgets help to do financial planning for a specific period of time.
- Helps to determine capital expenditure. (Any 3 × 2) (6)

5.5
- Cultural needs
- Natural needs
- Essential needs
- Protection needs
- Luxury needs (5)

5.6
- Gives information about the product.
- Protects the product.
- Promotes the product.
- Safe storage of the product.
- Convenient handling of the product.
- Economic transportation of the product.
- Differentiation on the product from other products. (Any 5 × 1) (5)

[25]

TOTAL: 100

Copyright reserved