

## EXAMINATION PAPER 1

## SECTION A

## QUESTION 1

- 1.1 Name THREE personal resources of successful entrepreneurs. (3 × 2) (6)
- 1.2 Name TWO types of data. (2 × 2) (4)
- 1.3 List FIVE idea-generation techniques. (5 × 2) (10)
- 1.4 State the purpose of each of the following parts in a business plan:
- 1.4.1 Executive summary
- 1.4.2 Marketing feasibility study
- 1.4.3 Conclusion
- 1.4.4 Financial feasibility study
- 1.4.5 Appendix (5 × 2) (10)
- [30]**

## QUESTION 2

Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'true' or 'false' next to the question number (2.1–2.10).

- 2.1 The marketing mix consists of price, place, product and promotion.
- 2.2 Personal funds are a form of borrowed finance.
- 2.3 The mark-up policy is a component of marketing.
- 2.4 A benefit tells the customer something about the product whereas a feature tells the customer how the product/service can make his/her life better.
- 2.5 A competitive advantage is when you make your product or service more attractive to customers than that of your competitors.
- 2.6 During the 'follow-up'-step of the selling process, a salesperson follows up to make sure that the customer is still happy with his/her purchase.
- 2.7 Discount occurs when a product is sold at a high price.
- 2.8 A legal entity requirement is the way in which a business is registered in terms of tax authorities and law courts.
- 2.9 Shareholders get a dividend after the company announces its profits.
- 2.10 Choosing a supplier that practices sustainability is one of the important criteria when selecting a suitable supplier.

(10 × 2)

**[20]****TOTAL SECTION A: 50**

## EXAMINATION PAPER 2

## QUESTION 1

**Jig Plumbing**

Jig Plumbing was started by Jenna Hendricks and is a female owned plumbing business. Jenna is a Plumbing and Solar Engineering graduate and won the silver award in the first Poster and Pitch Competition held by False Bay College. Although she started out focusing mainly on plumbing solutions, her company also offers the following services: kitchen and bathroom renovations, solar installations, carpentry services and hot water cylinder repairs.

With the silver award of R10 000 and her own funds, she started Jig Plumbing in 2016. Jenna says that her company is built on the core values of honesty, loyalty, integrity and safety. She escorts her team to each job in order to ensure quality workmanship.

She was determined to make a name for herself in the plumbing industry. She's been operating her business successfully for over five years now and has more than 5 employees working for her. Her company operates throughout the City of Cape Town area.

- 1.1 Name TWO reasons why Jenna embarked on this project. (2 × 2) (4)
- 1.2 How well does Jenna fit into the entrepreneurial profile? (14)
- 1.3 It is said that entrepreneurs possess certain personal resources in order to be successful. Does Jenna possess the resources she needs to make a success of her business? If so name those resources. (6)
- 1.4 Determine the target market for Jenna's business. Use the market segmentation process that you think is appropriate. (6)
- 1.5 List THREE competitive advantages for Jenna's business. (3 × 2) (6)
- 1.6 Jenna wants to advertise her business in the local community. Advise her on THREE advertising media she could use. (3 × 2) (6)
- 1.7 Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'true' or 'false' next to the question number (1.7.1–1.7.4).
- 1.7.1 Sales scenarios help with conducting the financial feasibility study in a business.
- 1.7.2 A survey can be used as a method of gaining market information.
- 1.7.3 A service is intangible.
- 1.7.4 Demographic segmentation refers to the area of residence. (4 × 2) (8)

[50]

## QUESTION 2

The following questions are applicable to the business plan you have completed during this semester. Select a product or service that you want to use as a business plan that you completed this semester.

- 2.1 Give your product or service a name and explain why you selected that particular name. (2 × 2) (4)
- 2.2 Complete a market research questionnaire for your business. Your questionnaire should include at least FIVE questions. (14)

- 2.3 Complete an assessment (two factors each) on your investment capabilities by referring to your:
- knowledge
  - skills
  - contacts
  - funds. (4 × 2) (8)
- 2.4 Name and explain the type of customer (target market) that might be attracted by your product or services. (2 × 2) (4)
- 2.5 List FIVE ideas that should be taken into consideration when packaging and labelling your product or service. (5 × 2) (10)
- 2.6 Discuss five points to remember when selecting a supplier for your business. (10)
- [50]**

### QUESTION 3

#### Tshisa Nyama

Monica lives in Khayelisha, Cape Town. Her husband, Thabo, lost his job and he was paid out some money. They have decided to use this money to start a business selling raw chicken from their house. They will call their new business, "Tshisa Nyama".

A good friend of theirs has a chicken farm and he can supply chickens at a good price. They have managed to get two deep freeze fridges to keep the meat fresh. To make this business plan complete, they need to determine the start-up costs of the business.

#### Monica provides you with the following information:

Wages	R	500
Container	R	2 500
Bucket	R	200
Cell phone	R	250
Advertising	R	150
Water and electricity	R	500
Umbrella	R	80
Cost of buying stock (opening stock)	R	1 800
Cash on hand	R	15 000
Packaging	R	60
Display stand	R	95
Fridges	R	2 500
Transport	R	400

- 3.1 Use the answer sheet to determine Monica's start-up cost (30)
- 3.2 Monica and Thabo run's a successful Instagram and Facebook page, providing information to potential customers about their products.  
Explain how they can measure the success of this form of advertising. (6)
- 3.3 Design an advertisement for their business, Tshisa Nyama. Make use of the AIDA concept. (10)
- 3.4 Use your creativity and redesign the general face mask to include more benefits other than just protecting humans from germs. Add at least FOUR new things.  
**HINT:** Make use of a sketch and add descriptions. (4)
- [50]**

**QUESTION 4**

4.1 Use the following information to draw the estimated Cash Flow Statement for the next four months. At the beginning of January 2021 we had favourable bank balance of R8 000.

MONTH	ESTIMATED SALES	ESTIMATED PURCHASES
January	R10 000	R4 500
February	R8 500	R3 000
March	R8 000	R3 000
April	R12 500	R6 000

**Other information**

- We bought a new motor vehicle in January. We paid R10 000 deposit and monthly payments thereafter are R400 for the next two years.
- The average expenses per month are:

Wages	R1 600
Rental	R1 500
Telephone	R450
Electricity	R200
Fuel	R400

- 20% of all the sales on credit. These customers pay 30 days later.
  - In March we will sell an old laptop for R1 000 cash.
  - In March we will buy a new laptop. The deposit will be R800 and the monthly instalment thereafter will be R400 for the next two years. (28)
- 4.2 You want to know how your customers feel about your products or services rendered. Construct an after-sales service evaluation questionnaire for your business. The questionnaire must include at least FIVE applicable questions for your type of business. (5 × 2) (10)
- 4.3 Complete a personal resource analysis for the owner of a coffee shop. Each resource should include at least TWO examples. (12)

**[50]**

**TOTAL SECTION B: 150**

**GRAND TOTAL: 200**

## EXAMINATION PAPER 1: MEMORANDUM

## SECTION A

## QUESTION 1

- 1.1 Name THREE personal resources of successful entrepreneurs. (3 × 2) (6)
- Knowledge and skills
  - Contacts and friends
  - Finance (personal assets and liabilities)
- 1.2 Name TWO types of data. (2 × 2) (4)
- Primary data
  - Secondary data
- 1.3 List FIVE idea-generation techniques. (5 × 2) (10)  
*Any five of the following:*
- Reverse method
  - Attribute analysis
  - Problem redefinition
  - Forced connection
  - Mind mapping
  - Brainstorming
  - Metaphorical analogy
- 1.4 State the purpose of each of the following parts in a business plan: (5 × 2) (10)
- 1.4.1 Executive summary  
**An executive summary is an interesting and comprehensive overview of your proposed business plan. It basically is a summary of the business plan.**
- 1.4.2 Marketing feasibility study  
**A marketing feasibility study contains a description of the target market, research that was conducted, description of competitors, promotional strategy and advertising plan.**
- 1.4.3 Conclusion  
**This is a summary of why you believe your business plan will succeed and why other people should have faith in your proposed venture.**
- 1.4.4 Financial feasibility study  
**This contains detailed information on all financial aspects of the proposed business e.g. product costing, pricing of products, calculation of break-even point, Statement of Profit or Loss, Cash Flow Statement, etc.**
- 1.4.5 Appendix  
**This refers to all supporting documentation that accompanies the business plan e.g. legal documents, reference letters, credit reports, copies of contracts, etc.**

[30]

**QUESTION 2**

Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'true' or 'false' next to the question number (2.1–2.10). (10 × 2)

- 2.1 The marketing mix consists of price, place, product and promotion.  
**True**
- 2.2 Personal funds are a form of borrowed finance.  
**False**
- 2.3 The mark-up policy is a component of marketing.  
**False**
- 2.4 A benefit tells the customer something about the product whereas a feature tells the customer how the product/service can make his/her life better.  
**False**
- 2.5 A competitive advantage is when you make your product or service more attractive to customers than that of your competitors.  
**True**
- 2.6 During the 'follow-up'-step of the selling process, a salesperson follows up to make sure that the customer is still happy with his/her purchase.  
**True**
- 2.7 Discount occurs when a product is sold at a high price.  
**False**
- 2.8 A legal entity requirement is the way in which a business is registered in terms of tax authorities and law courts.  
**True**
- 2.9 Shareholders get a dividend after the company announces its profits.  
**True**
- 2.10 Choosing a supplier that practices sustainability is one of the important criteria when selecting a suitable supplier.  
**True**

[20]

**TOTAL SECTION A: 50**

## EXAMINATION PAPER 2: MEMORANDUM

## QUESTION 1

**Jig Plumbing**

Jig Plumbing was started by Jenna Hendricks and is a female owned plumbing business. Jenna is a Plumbing and Solar Engineering graduate and won the silver award in the first Poster and Pitch Competition held by False Bay College. Although she started out focusing mainly on plumbing solutions, her company also offers the following services: kitchen and bathroom renovations, solar installations, carpentry services and hot water cylinder repairs.

With the silver award of R10 000 and her own funds, she started Jig Plumbing in 2016. Jenna says that her company is built on the core values of honesty, loyalty, integrity and safety. She escorts her team to each job in order to ensure quality workmanship.

She was determined to make a name for herself in the plumbing industry. She's been operating her business successfully for over five years now and has more than 5 employees working for her. Her company operates throughout the City of Cape Town area.

- 1.1 Name TWO reasons why Jenna embarked on this project. (2 × 2) (4)
- She saw a gap in the market for plumbing services.
  - It can be assumed that she didn't have a job at the time (unemployed).
  - She was determined to make a name for herself as a female in the plumbing industry.
- (Any two)
- 1.2 How well does Jenna fit into the entrepreneurial profile? (7 × 2) (14)
- Confidence
  - Preference for moderate risk
  - Energy
  - Responsibility
  - Skill of organising
  - Desire for immediate feedback
  - Identifying opportunities
  - Urge to achieve
- 1.3 It is said that entrepreneurs possess certain personal resources in order to be successful. Does Jenna possess the resources she needs to make a success of her business? If so name those resources. (3 × 2) (6)
- Knowledge and skills, finance, contacts**
- 1.4 Determine the target market for Jenna's business. Use the market segmentation process that you think is appropriate. (3 × 2) (6)
- Commercial businesses, private home owners, building contractors**
- 1.5 List THREE competitive advantages for Jenna's business. (3 × 2) (6)
- Quality of service provided
  - Variety of services provided (not just plumbing)
  - Reasonably priced

- 1.6 Jenna wants to advertise her business in the local community. Advise her on THREE advertising media she could use. (3 × 2) (6)
- Newspaper (local community newspaper)
  - Instagram and Facebook (social media)
  - Local radio station
- 1.7 Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'true' or 'false' next to the question number (1.7.1–1.7.4). (4 × 2) (8)
- 1.7.1 Sales scenarios help with conducting the financial feasibility study in a business.  
**True**
- 1.7.2 A survey can be used as a method of gaining market information.  
**True**
- 1.7.3 A service is intangible.  
**True**
- 1.7.4 Demographic segmentation refers to the area of residence.  
**False**

[50]

## QUESTION 2

The following questions are applicable to the business plan you have completed during this semester. Select a product or service that you want to use as a business plan that you completed this semester.

- 2.1 Give your product or service a name and explain why you selected that particular name. (2 × 2) (4)  
**Students' own answers (one mark for each)**
- 2.2 Complete a market research questionnaire for your business. Your questionnaires should include at least FIVE questions. (14)  
**Questionnaires should follow the guidelines set out in the Student Book. Marks are awarded for asking at least five questions (10 marks). There should be an opening statement (what the questionnaire is about) (2 marks) as well as a closing statement (e.g. thank you for your time) (2 marks). Students must use both open and closed-ended questions.**
- 2.3 Complete an assessment (two factors each) on your investment capabilities by referring to your:  
(a) knowledge  
(b) skills  
(c) contacts  
(d) funds. (4 × 2) (8)  
**Any two factors applicable to their business**



- 2.4 Name and explain the type of customer (target market) that might be attracted by your product or services. (2 × 2) (4)
- Consumer market
  - Industrial market
  - Service market
- (Any two)
- 2.5 List FIVE ideas that should be taken into consideration when packaging and labelling your product or service. (5 × 2) (10)
- Must prevent breakage
  - Simple and practical in order to minimise costs
  - Colour
  - Labels (information)
  - Use of pictures and symbols
  - Illustrations
  - Language
  - Interactive media (e.g. QR codes on labels that can be scanned for more info)
- (Any five)
- 2.6 Discuss five points to remember when selecting a supplier for your business. (10)
- Reliability
  - Proximity
  - Quality
  - Service
  - Number of suppliers
  - Sustainable practices
- (Any five)

[50]

### QUESTION 3

#### Tshisa Nyama

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A good friend of theirs has a chicken farm and he can supply chickens at a good price. They have managed to get two deep freeze fridges to keep the meat fresh. To make this business plan complete, they need to determine the start-up costs of the business.

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Cell phone	R	250
Advertising	R	150
Water and electricity	R	500

Umbrella	R 80
Cost of buying stock (opening stock)	R 1 800
Cash on hand	R 15 000
Packaging	R 60
Display stand	R 95
Fridges	R 2 500
Transport	R 400

3.1 Use the answer sheet to determine Monica's start-up cost (30)

<b>Fixed Assets</b>	
Container	R500
Bucket	R200
Umbrella	R80
Deep freezers	R2 500
Display stand	R95
<b>TOTAL</b>	<b>R3 375</b>
<b>Monthly expenses</b>	
Wages	R500
Cell phone	R250
Advertising	R150
Water and electricity	R500
Transport	R400
<b>TOTAL</b>	<b>R1 800</b>
<b>Pre-operating expenses</b>	
Cost of buying stock (opening stock)	R1 800
Cash on hand	R15 000
Packaging	R60
<b>TOTAL</b>	<b>R16 860</b>

3.2 Monica and Thabo run's a successful Instagram and Facebook page, providing information to potential customers about their products. Explain how they can measure the success of this form of advertising. (6)

- Keep track of enquiries (phone calls as well as direct messages).
- Provide coupons.
- Run hourly promotions via these channels.

(Any two)

3.3 Design an advertisement for their business, Tshisa Nyama. Make use of the AIDA concept. (5 × 2) (10)

Must have:

- Name of the business
- Entrepreneur's name
- Addresses and telephone numbers
- Logo or emblem of business
- A frame

3.4 Use your creativity and redesign the general face mask to include more benefits other than just protecting humans from germs. Add at least FOUR new things. HINT: Make use of a sketch and add descriptions. (4)

- Include sketch of mask.
- Add pictures/patterns to the mask.
- Multi-purpose mask – used as scarf, buff, etc.
- Can be used for branding as well for a business.
- Students can be creative e.g. built-in thermometer, etc.

[50]

#### QUESTION 4

4.1 Use the following information to draw the estimated Cash Flow Statement for the next four months. At the beginning of January 2021 we had favourable bank balance of R8 000.

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January	R10 000	R4 500
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April	R12 500	R6 000

#### Other information

1. We bought a new motor vehicle in January. We paid R10 000 deposit and monthly payments thereafter are R400 for the next two years.
2. The average expenses per month are:

Wages	R1 600
Rental	R1 500
Telephone	R450
Electricity	R200
Fuel	R400

3. 20% of all the sales on credit. These customers pay 30 days later.
4. In March we will sell an old laptop for R1 000 cash.
5. In March we will buy a new laptop. The deposit will be R800 and the monthly instalment thereafter will be R400 for the next two years. (28)

Cash Flow Statement				
	January	February	March	April
Bank balance beginning of month	R8 000	-R1 650	-R400	-R650
Cash sales	R8 000	R6 800	R6 400	R10 000
Credit sales		R2 000	R1 700	R1 600
Other income	R1 000			
<b>TOTAL CASH AVAILABLE</b>	<b>R17 000</b>	<b>R7 150</b>	<b>R7 700</b>	<b>R10 950</b>
Monthly expenses	R4 150	R400 R4 150	R400 R4 150	R400 R4 150 R400
Cash purchases	R4 500	R3 000	R3 000	R6 000
Other payments	R10 000		R800	
<b>TOTAL CASH PAYMENTS</b>	<b>R18 650</b>	<b>R7 550</b>	<b>R8 350</b>	<b>R10 950</b>
<b>Bank balance end of month</b>	<b>-R1 650</b>	<b>-R400</b>	<b>-R650</b>	<b>0</b>

- 4.2 You want to know how your customers feel about your products or services rendered. Construct an after-sales service evaluation questionnaire for your business. The questionnaire must include at least FIVE applicable questions for your type of business. (5 × 2) (10)
- Students complete an after-sales questionnaire, asking at least five questions. Use different categories / blocks on questionnaire such as good, average, poor, etc.**
- 4.3 Complete a personal resource analysis for the owner of a coffee shop. Each resource should include at least TWO examples. (12)
- Students must refer to:**
- Knowledge and skill
  - Contacts and friends
  - Funds

[50]

**TOTAL SECTION B: 150**  
**GRAND TOTAL: 200**