higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

N440**(E)**(N)H

NOVEMBER EXAMINATION

NATIONAL CERTIFICATE

ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N4 (Second Paper

(4090304)

16 November 2016 (X-Paper)
09:30–12:00

OPEN-BOOK EXAMINATION

FIVE reference works may be used as prescribed.

This question paper consists of 6 pages and 2 answer sheets.

GENERAL STUDIES

Copyright reserved

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE
ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N4
(Second Paper)
TIME: 2½ HOURS
MARKS: 150

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

INSTRUCTIONS AND INFORMATION

1. Read ALL the questions carefully.
2. Answer only THREE of the four questions in this paper.
3. Number the answers according to the numbering system used in this question paper.
4. Write neatly and legibly.

GENERAL STUDIES

SECTION B

QUESTION 1

MARY'S FAST FOOD

Mary lost her job as an assistant chef at the Majuba Lodge. She decided to use this opportunity to start her own business providing food for the students of Majuba TVET College. Using R800 of her own money, she set up a stall outside the Campus at Madadeni, selling meat, fish, sandwiches and other food. 'On the first day I sold out my entire stock in half an hour', she said and she knew that was her golden opportunity.

The money she makes supports her household adequately as her husband was also unemployed and her children are at university. She now employs five people from the township to assist with cooking, delivering food and serving her customers. Mary now wants to start a restaurant and will call it Siyathuthuka restaurant.

1.1 Name TWO reasons why Mary embarked on this project? (2 × 2) (4)

1.2 How well does Mary fit into the entrepreneurial profile? (14)

1.3 It is said that entrepreneurs possess certain personal resources in order to be successful.

Does Mary possesses the resources she needs to make a success of her business? If so name those resources. (6)

1.4 Determine the target market for Mary's business. Use the market segmentation process that you think is appropriate. (6)

1.5 List THREE competitive advantages for Mary's business. (3 × 2) (6)

1.6 Mary 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) in the ANSWER BOOK.

1.7.1 Sales scenarios help the financial feasibility study in a business.

1.7.2 A telephone can be used as a method of gaining market information.

1.7.3 In the introductory stage of the product life cycle the profit margin will peak.

1.7.4 Demographic segmentation refers to the area of residence.

(4 × 2) (8)

[50]

GENERAL STUDIES

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 post-sales questionnaire of 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:

(a) knowledge
(b) skills
(c) contacts
(d) 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 What do you recommend as an efficient inventory – control system for your product or service? (10)
[50]

GENERAL STUDIES

QUESTION 3

Ntando lives in Gugulethu Cape Town. When her husband Sifiso lost his job, he was paid out some money. They decided to use this money to start a business selling raw chicken from their house.

Their friend had a chicken farm and he supplies chicken at a good price, they managed to borrow a cooler box to keep the meat fresh. To make this business plan complete, they need to determine the START – UP COSTS.

She provides you with the information.

Wages	R400
Container	R2 500
Basket	R200
Cell phone	R135
Advertising	R250
Water and Electricity	R250
Cooler Box	R150
Umbrella	R80
Cost of buying stock (opening stock)	R800
Telephone installation	R120
Cash on hand	R20 000
Packaging	R60
Display stand	R95
Fridge	R1 500
Transport	R435

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

3.2 Sifiso distributes a glossy catalogue to potential customers as they inquire about his product and service.

Explain how Sifiso can measure the success of this form of advertising. (6)

3.3 Design a business card for Sifiso's business. (10)

3.4 Use your creativity and redesign the wrist watch. Add at least FOUR new things. (4)

HINT: Make use of a sketch

[50]

GENERAL STUDIES

QUESTION 4

4.1 Use the answer sheet. Complete the ADDENDUM (attached).

Use the following information to draw the estimated cash flow statement for the next four months. At the beginning of January 2016 we had favourable bank balance of R5 000.

MONTH	ESTIMATED SALES	ESTIMATED PURCHASES
January	R8 000	R4 000
February	R4 000	R3 000
March	R6 000	R5 000
April	R5 500	R6 000

Other information

1. We bought a new motor vehicle in January. We paid R9 000 deposit and monthly payments thereafter are R500 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 computer for R300 cash.

5. In March we will buy a new computer. The deposit will be R1 500 and the monthly installment thereafter will be R350 for the next two years. (28)

4.2 You want to know how your customers feel about your products/service rendered.

Construct an after-sales service evaluation form for your business. The evaluation form 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 hotel. Each resource should include at least TWO examples. (12)
[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

GENERAL STUDIES

Copyright reserved

ANSWER SHEET EXAMINATION NUMBER

3.1

FIXED ASSETS	
Container	
Basket	
Cooler box	
Umbrella	
Fridge	
Display stand	
TOTAL	
MONTHLY EXPENSES	
Wages	
Cell phone	
Advertising	
Water and Electricity	
Transport	
TOTAL	
PRE- ORPERATING EXPENSES	
Cost of buying stock (opening stock)	
Telephone installation	
Cash on hand	
Packaging	
TOTAL	

(30)

GENERAL STUDIES

Copyright reserved

ANSWER SHEET EXAMINATION NUMBER

(ANNEXURE A)

4.1

CASH FLOW STATEMENT				
	January	**February**	**March**	**April**
Bank balance beginning of the month				
Cash sales				
Credit sales				
Other income				
TOTAL CASH AVAILABLE				
Monthly expenses				
Cash purchases				
Other payments				
TOTAL CASH PAYMENTS				
Bank balance end of the month				

(28)

GENERAL STUDIES

Copyright reserved