higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N4
(Second Paper)

14 NOVEMBER 2018

This marking guideline consists of 6 pages.

Copyright reserved

SECTION B

QUESTION 1

1.1	1.1.1	TK Clothes;✓ sole proprietor✓		(2)
	1.1.2	We sell quality products✓✓ at affordable prices✓✓ delivered with the best customer care.✓✓	(3 × 2)	(6)
	1.1.3	• To increase clients by 20% through superior performance • To establish a solid reputation	(2 × 2)	(4)
	1.1.4	We sell traditional clothes,✓ jeans,✓ formal and casual wear for women✓ and accessories such as bags, belts, scarves and hats.✓		(4)
	1.1.5	On the busy main road✓✓ close to the taxi rank✓✓	(2 × 2)	(4)
	1.1.6	Females✓✓ from the age of 12 years✓✓ with low and middle income✓✓	(Any 2 × 2)	(4)
	1.1.7	Personal savings✓✓ and the rest from the bank✓✓	(2 × 2)	(4)
	1.1.8	Quality✓✓ and good location✓✓	(2 × 2)	(4)
	1.1.9	✓✓ TK CLOTHING✓✓	(2 × 2)	(4)
1.2		• Complete control and decision-making over the business • Minimal legal costs	(2 × 2)	(4)
1.3		• Name of the business • Picture • Slogan • Logo • Price • Layout • Attention-getting teasers	(Any 5 × 2)	(10) **[50]**

QUESTION 2

2.1	2.1.1	• The pair shared a common passion for entrepreneurship and business which went as far back as primary school – both engaged in a string of business ventures ranging from selling sweets, granting small loans, organising parties and selling hot dogs on street corners. • They offered a fresh blend of enthusiasm and energy.	(2 × 2)	(4)

2.1.2
- They plan to aggressively grow the business in the coming year and to expand into other provinces.
- "We see ourselves one day as big as companies like Basil Read, JT Ross, Grinaker, Liviero and WBHO." (2 × 2) (4)

2.1.3
- "Our company has really grown in the last couple of years."
- "Our turnover in the last financial year was R5 million."
- "We have three fully branded vehicles."
- "We employ 52 workers." (Any 2 × 2) (4)

2.1.4 "Through this we have built a reputation of professionalism✓✓ and consistently exceeding our clients' expectations."✓✓ (2 × 2) (4)

2.2
- Opportunities: Investing heavily into branding and marketing✓✓ and industry-related training✓✓
- Threats: Bad reputation, particularly of black contractors✓✓ associated with inflated prices and shoddy workmanship✓✓ (4 × 2) (8)

2.3 "We wanted to operate in a field where we could differentiate ourselves through skill,✓✓ professionalism✓✓ and by being creative."✓✓

OR

Ndlela and Majozi set out to be different from day one, "We made a conscious decision to project a consistently professional image in everything we do from our branding,✓✓ our website, the manner in which we interact with our clients✓✓ and the way we execute projects. We strongly believe in securing our clients solely based on merit and our ability to add value."✓✓
(Any 3 × 2) (6)

2.4
- Majozi Bros' clients come from around most of KwaZulu Natal – from Ballito, Umlazi, Hillcrest, Adams Mission and Durban North.
- The pair targeted the residential market which lacked professional black companies. (2 × 2) (4)

2.5 Far back as primary school – both engaged in a string of business ventures ranging from selling sweets,✓ granting small loans,✓ organising parties,✓ selling hot dogs on street corners✓ and construction.✓ (Any 4 × 1) (4)

2.6 The process whereby the government invites bids for large projects that must be submitted with a finite deadline (2)

2.7

Number of consumers	1 200	✓
Average gross income per unit	5 000	✓
Total income for the area	6 000 000	✓✓
% of income spent on the product	5%	✓
Potential rand value for an item	3 000 000	✓✓
% of entrepreneur's market share	25%	✓
Rand value of entrepreneur's market share	75 000	✓✓

(10)
[50]

Copyright reserved

QUESTION 3

3.1 3.1.1
- plumbing
- garden services
- photography
- jewellery
- hair care
- childcare (Any ONE) (1)

3.1.2
- I did a course in jewellery/photography.
- Experience – I worked in my mother's studio/workshop for six months.
- During functions people prefer a professional photographer.
- I already have some of the necessary equipment to run this kind of a business. (Any 3 × 2) (6)

3.1.3
- Camera
- Lenses
- Tripod
- Props
- Computer
- Backdrops
- Printer

NOTE: The equipment must be relevant to the product/service.
(Any 5 × 2) (10)

3.1.4
- Pricing structure
- Product quality
- Punctuality
- Service
- Reputation
- Location
- Credit facilities (Any 6 × 1) (6)

3.1.5
- Word of mouth
- Social media
- Give away some of your services for free
- Get listed in a popular local directory
- Fliers (5 × 2) (10)

3.1.6
- Brainstorming, attribute analysis, problem redefinition, mind mapping
- Student must explain how he/she will use the method, e.g. Use teams before you make a decision.
- Listen to their ideas and take the best ideas. (3)

3.2 3.2.1 Break-even units = fixed costs✓/GP✓
= 3 300✓ ÷ 250✓ – 100✓
= 3 300 ÷ 150
= 22✓ (6)

3.2.2 Break-even units = fixed costs + profit✓/GP✓
= 3 300✓ + 6 500✓ ÷ 250✓ – 100✓
= 9 800 ÷ 150✓
= 65,33✓ (8)
[50]

QUESTION 4

4.1 4.1.1
- Reusable,✓ bright and colourful✓ round- and square-shaped✓ tin/metallic boxes for biscuits✓
- Cake boxes✓ for cakes and pies
- Family packaging✓ for bread loaves in printed transparent plastic✓ (Any 2 × 3) (6)

4.1.2
- Trademark design✓ with words such as sandwich bread✓
- Name and address of the manufacturer✓
- Produced in the Republic of South Africa✓
- Ingredients:✓ Wheat flour, yeast and salt✓
- Expiry date:✓ dd/mm/yyyy (student will give the date)✓
- Nutritional information:✓ Energy 958 kJ, protein 8 g, iron 3 mg✓
- Any form of creativity differentiating the product label✓
- Volume:✓ 100 g✓ (Any 6 × 1) (6)

4.2
- Coupons: Put inside packaging
- Competition: Let customers complete the business slogan
- Consumer bargains: Bonus packs (3 × 2) (6)

4.3
- Business licence
- Health certificate (2 × 2) (4)

4.4 The business must be located on a busy road✓✓ close to a busy shopping centre✓✓ and he must use signs to make the business visible.✓✓ (Any 2 × 2) (4)

QUESTION 4

4.5 4.5.1

Market potential per day	4 000/6 = 667/30	22	✓
Market potential share	22 × 65%	14	✓
Supplier analysis			
Daily figures			
Number of units to be sold in one day		14	✓
Selling price per unit		450	✓
Cost price per unit		250	✓
Daily sales	14 × 450	6 300	✓
Less: Daily unit costs	14 × 250	3 500	✓
Gross profit per day		2 800	✓ (8)

4.5.2

Monthly figures			
Number of units to be sold in one month		420	✓✓
Monthly sales	420 × 450	189 000	✓✓
Less: Monthly unit costs	420 × 250	105 000	✓✓
Gross profit per month		84 000	✓✓ (8)

4.5.3

MONTH	**JANUARY**	
Bank balance at the beginning of the month	8 000	✓
Cash sales	189 000	✓
TOTAL CASH AVAILABLE	197 000	✓
Cash purchases	105 000	✓
Operating expenses	2 000	✓
TOTAL CASH PAYMENTS	107 000	✓
Bank balance at the end of moth	90 000	✓✓ (8)

[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

Copyright reserved