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higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

N420(E)(N22)H
NOVEMBER EXAMINATION

NATIONAL CERTIFICATE

ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N4

(Second Paper)

(4090304)

22 November 2013 (X-Paper)
09:00–11:30

OPEN-BOOK EXAMINATION

FIVE reference works may be used as prescribed.

Calculators may be used.

This question paper consists of 6 pages and 1 addendum.

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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 the required number of questions, only the required number of questions will be marked. All work you do not want to be marked must be clearly crossed out.

INSTRUCTIONS AND INFORMATION

1. Answer only THREE questions.
2. Read ALL the questions carefully.
3. Number the answers according to the numbering system used in this question paper.
4. SECTION B (Second Paper) must be answered in the ANSWER BOOK except SUBQUESTION 4.1 which must be answered on the attached ADDENDUM. Insert the completed addendum in the ANSWER BOOK.
5. Write neatly and legibly.

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INSTRUCTIONS AND INFORMATION TO INVIGILATORS

1. SECTION B (Second Paper) is an OPEN-BOOK EXAMINATION which has to be answered in the prescribed ANSWER BOOK.
2. The candidates may use FIVE sources as prescribed.
3. The time allocated for this question paper is 2½ hours.
4. The question paper must be handed to the candidates FIVE MINUTES BEFORE the examination commences.
5. At the end of the examination session the ANSWER BOOK must be handed in.
6. Place the candidate's ADDENDUM for SECTION A in the ANSWER BOOK.
7. Make sure that the EXAMINATION NUMBERS correlate and are correct.

YOU MAY NOT TURN THE PAGE BEFORE THE INVIGILATOR INSTRUCTS YOU TO DO SO

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SECTION B

Answer any THREE questions from this section.

QUESTION 1

Miss Ntando is operating a stationery shop known as Stationery for Africa in Durban.

1.1 Give Ntando advice on improving her customer relations and service delivery in her business. (10)

1.2 Draw up a contract of employment between Ntando and one of her employees.

Refer to at least FIVE aspects. (10)

1.3 Miss Ntando wants to assess the service rendered by her shop assistants.

Draw up an after-sales service evaluation form for her business with at least FIVE appropriate questions. (5)

1.4 What advice can you give on the promotional strategy of the stationery shop? (10)

1.5 Name Ntando's target market. (10)

1.6 Explain the type of packaging that she will use for her products. (4)

1.7 The brainstorming technique is an example of a creative method.

Is this statement true or false? (1)
[50]

QUESTION 2

2.1 Recall the business plan that you did during this semester and complete the following:

2.1.1 Give your product/service a name and explain why you have selected that particular name. (4)

2.1.2 Give a full description of your target market.
(HINT: Refer to age, education, income, gender, location.) (5 × 2) (10)

2.1.3 Suggest FOUR possible pricing techniques that you could use with your business plan. Provide a reason for each choice. (4 × 2) (8)

2.1.4 Explain how you would apply the first THREE steps in the sales process in your business. Give TWO examples of each. (3 × 4) (12)

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2.1.5 What do you recommend as an efficient inventory control system for your product/service? (5 × 2) (10)

2.2 Give THREE ideas for creating jobs. (3 × 2) (6)
[50]

QUESTION 3

3.1 Complete a personal resource analysis for a garage sales owner. Each resource should include at least TWO examples. (12)

3.2 Which security measures do you have in place in your business for the handling of cash? (6)

3.3 With the aid of a sketch give the floor layout of a petrol garage business. Give full descriptions. (5 × 2) (10)

3.4 Draw up a pre-research questionnaire which could help you to find out more about your business and whether it would satisfy the need of your target market. (12)

3.5 Compile an advertisement/flyer for your business by applying the principles of a good advertisement. (10)
[50]

QUESTION 4

4.1 Use the following information to draw up the estimated cashflow statement of Ntando for the next THREE months on the attached ADDENDUM. At the end of May they had a favourable bank balance of R7 000. They also qualified for a loan of R8 000 that was granted in June 2012.

MONTHS	ESTIMATED SALES	ESTIMATED PURCHASES
MAY	R17 000	R12 000
JUNE	R22 000	R17 000
JULY	R24 000	R18 500
AUGUST	R34 500	R27 000

Other information:

1. The average expenses per month are:

Loan repayment (August 2012)	R650
Telephone	R425
Electricity and water	R380
Wages	R5 800
Advertising cost	R750
Stationery	R320
Rent	R4 500

2. 40% of all sales are on credit. Debtors usually pay 30 days later.

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3. 10% of all purchases are on credit. She usually pays 30 days later.

4. She bought a delivery vehicle in June 2012. The deposit was R10 000 and the monthly repayment thereafter was R1 000 for 54 months.

5. In August she will sell an old computer for R4 000 cash. (32)

4.2 Ntando consults you for professional advice on the name of her business.

Measure the name against the guidelines for a good name for a business. (10)

4.3 Should Ntando arrange for any overdraft facilities? Motivate the answer. (4)

4.4 The ABSA bank manager will probably not extend a bank overdraft. The manager will probably tell Ntando to decrease some of her expenses and costs.

Advise Ntando on which TWO items to decrease or avoid ensuring a favourable bank balance. (4)
[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

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(4090304)

ADDENDUM **EXAMINATION NUMBER:**

4.1 **CASHFLOW STATEMENT**

MONTH	JUNE	JULY	AUGUST
CASH RECEIPTS			
Bank balance beginning of month			
Cash sales			
Credit sales			
Loan			
Other income			
TOTAL CASH AVAILABLE			
CASH PAYMENTS			
Loan repayments			
Monthly expenses			
Cash purchases			
Credit purchases			
Other payments			
TOTAL CASH PAYMENTS			
Bank balance end of month			

(32)

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MARKING GUIDELINE

NATIONAL CERTIFICATE

NOVEMBER EXAMINATION

ENTREPRENEURSHIP AND BUSINESS MANAGEMENT
N4
(Second Paper)

22 NOVEMBER 2013

This marking guideline consists of 5 pages.

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SECTION B

Note to Assessor: Candidates' own interpretation and initiative in answering the questions, should be taken in consideration.

QUESTION 1

1.1
- Friendly attitude and service
- Helpful at all times
- Listen to the need of customer
- Remember the name of the customer
- Environment where customers move around must be clean (5 × 2) (10)

1.2
- Conditions at service
- Determination of salary
- Demonstration of loyalty and dedication
- Duties and expected work performance
- Negotiate about promotion and salary increases
- Provision of training (Any 5 × 2) (10)

1.3
- Are you happy with the performance?
- Is our product still to your satisfaction?
- On what would you like us to improve?
- Have we attended to your complaints properly?
- Are you happy with our product? (5)

1.4
- Emphasise convenience of the shopping centre
- Institution's image
- They are freely included in some newspapers
- Advertise in newspapers/draw new customers to store
- Friendly service
- Complete advertising budget
- Monthly expenses
- Explain how they can benefit from the use of certain products

(Any applicable answer) (10)

1.5
- Colleges
- Schools
- Churches
- Libraries
- Individuals (5 × 2) (10)

1.6
- Family packaging
- Industrial packaging
- Reusable packaging
- Multiple packaging
- Kaleidoscopic packaging (Any 4 × 1) (4)

1.7 True (1)

[50]

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QUESTION 2

2.1 2.1.1 Must be appropriate, explanation must apply to the name (4)

2.1.2 Must refer to the following:

- Age
- Education
- Income
- Gender
- Location
- Must apply to the product chosen (Any 5 × 2) (10)

2.1.3
- Odd price – R50,99
- Leader pricing – reduce the price of popular products
- Discounts – to use out old stock
- Competitive price – price below that of competitors
- Price skimming – price initially high then lowered (Any 4 × 2) (8)

2.1.4
- Do preparation
- Get all information you need for the presentation
- Contact other friends
- Approach
- Interview
- See whether the client qualifies
- Demonstration (Any 3 × 4) (12)

2.1.5
- Have perpetual inventory/control system/use computerised cards
- Get rid of obsolete stock/sales, reduce stock promotion, sponsorship
- Last in, first out
- Stock controller
- Scanner (5 × 2) (10)

2.2
- Invest more in entrepreneurship
- Provide free training
- Provide more incentives (3 × 2) (6)

[50]

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QUESTION 3

3.1
- Refer to the knowledge and skills that are needed
- Refer to contacts and friends you know
- Refer to funds that can be obtained (4 × 3) (12)

3.2
- Bank all money you have
- Must have safe to lock your money
- Do daily records (3 × 2) (6)

3.3
- Workshop place
- Display area
- Cash register
- Entrance
- Exit
- Safe (Any 5 × 2) (10)

3.4
- Use open questions
- Use closed questions
- Keep questions simple
- One question at a time (3 × 4) (12)

3.5 Marks are allocated for the requirements itself

- Must draw attention
- Layout short, simple, clear
- Price, place, information
- Heading, words must stand out/draw attention
- Illustrations, drawings
- Use special offers
- Benefit the consumer (10)

[50]

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QUESTION 4

4.1

MONTH	JUNE	JULY	AUGUST
CASH RECEIPTS			
Bank balance beginning of month	7 000	(13 275)	(21 300)
Cash sales	13 200	14 700	20 700
Credit sales	6 800	8 800	9 800
Loan	8 000		
Other income			4 000
TOTAL CASH AVAILABLE	35 000	10 225	9 200
CASH PAYMENTS			
Loan repayments			650
Monthly expenses	12 175	12 175	12 175
Cash purchases	15 300	16 650	24 300
Credit purchases	10 800	1 700	1 850
Other payments	10 000	1 000	1 000
TOTAL CASH PAYMENTS	48 275	31 525	38 125
Bank balance end of month	(13 275)	(21 300)	(28 925)

(32)

4.2
- Must be short, simple and easy to remember
- Not too difficult to pronounce
- Indicate the type of goods and service
- Avoid existing names that are widely used.
- Not be similar to another or misleading (5 × 2) (10)

4.3 Yes, her business is not successful (4)

4.4
- She must decrease other expenses e.g. wages
- Must get other location to operate (2 × 2) (4)

[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

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