higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

N480**(E)**(J14)H

NATIONAL CERTIFICATE

ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N6

(First Paper)

(4090336)

14 June 2018 (X-Paper)
09:00–09:30

CLOSED-BOOK EXAMINATION

This question paper consists of 5 pages and an answer sheet of 3 pages.

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE
ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N6
TIME: 30 MINUTES
MARKS: 50

INSTRUCTIONS AND INFORMATION

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

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QUESTION 1

1.1 Various options are given as possible answers to the following questions. Choose the correct answer and write only the letter (A–D) next to the question number (1.1.1–1.1.7) in the ANSWER BOOK.

1.1.1 What is the main purpose of a business plan?

A The plan helps the company develop a 'road map' to follow.
B The plan introduces potential investors and other stakeholders to the business opportunity.
C Both (A) and (B) are equally important.
D Neither (A) or (B) captures the true purpose of a business plan.

1.1.2 Which of the following statements is incorrect regarding business plans?

A A firm's business plan is typically the first aspect of a proposed venture that will be seen by an investor.
B To stand out, a business plan should follow an unconventional structure.
C A business plan has both an external and an internal audience.
D A company's business plan is typically written by its founders.

1.1.3 Financial management deals with two issues, namely: 1. raising money and 2 …

A operations management.
B inventory control.
C managing a company's finances.
D production management.

1.1.4 The first step in choosing a target market is to study the industry in which the firm intends to compete and determine the different potential target markets in that industry. This process is called …

A market positioning.
B market splitting.
C market targeting.
D market segmentation.

1.1.5 Which of the following is an example of an internal growth strategy?

A Licensing
B Merger
C New product development
D Strategic alliance

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1.1.6 Which of the following is an example of an external growth strategy?

A Strategic alliances and joint ventures
B Improving an existing product or service
C Increasing the market penetration of an existing product or service
D Extending product lines

1.1.7 Entrepreneurial businesses that grow by expanding from their original location to additional geographic sites are pursuing a …

A common expansion strategy.
B market penetration strategy.
C universal networking strategy.
D geographic expansion strategy.

(7 × 2) (14)

1.2 Choose a description from Column B that matches a word/term in Column A. Write only the letter (A–H) next to the question number (1.2.1–1.2.7) in the ANSWER BOOK.

COLUMN A		COLUMN B	
1.2.1	balance of payments	A	the intangible value of a business
1.2.2	gross domestic product	B	a person who sets up a business concerned with computers or similar technology
1.2.3	goodwill	C	a record of all the economic transactions between one country and all its trading partners
1.2.4	book value	D	the approaches and moves managers make to achieve specific results in one specific line of business
1.2.5	technopreneurs	E	the value of assets to the present owner from an accounting point of view
1.2.6	mumpreneur	F	long-term goals aimed at strengthening the competitive position of a business
1.2.7	business strategy	G	the total value of all final goods and services produced by a country in one year
		H	a woman who sets up and runs her own business in addition to caring for her young child or children

(7 × 1) (7)

1.3 Explain the difference between a *business's vision* and *mission statements*. (4)

1.4 When a business has formulated its mission and developed its objectives, it knows where it wants to go to. List FOUR possible strategies that a business can use to achieve its mission and objectives. (8)

1.5 Businesses can use strategies to secure a competitive advantage over their rival businesses. Name THREE offensive strategies that companies use to achieve a competitive advantage. (3)

1.6 List Porter's FIVE competitive forces. (5)

1.7 Companies that use a cost-leadership strategy and those that use a differentiation strategy share one important characteristic. Both groups try to be attractive to customers in general. Identify which strategies are used by the following companies:

1.7.1 Redbox rents DVDs and video games through vending machines for R10,00.

1.7.2 Papa Murphy's targets its inexpensive take-and-bake pizza at value-conscious families.

1.7.3 Whole Foods Market focuses on selling natural and organic products.

1.7.4 Claire's targets young woman with inexpensive jewellery, accessories and ear-piercings.

1.7.5 At Build-A-Bear Workshop, customers enjoy an interactive process of designing and assembling teddy bears.

1.7.6 The dedication of Mercedes-Benz to cutting-edge technology, styling and safety innovations had made the firms vehicles prized by those who are rich enough to afford them.

(6 × 1) (6)

1.8 One of the objectives of Happy Homes is 'to increase revenue'. Change this objective into one that is SMART. (3)

[50]

TOTAL: 50

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ANSWER SHEET

EXAMINATION NUMBER: | | | | | | | | | | | | | |

QUESTION 1

1.1 1.1.1 _____

1.1.2 _____

1.1.3 _____

1.1.4 _____

1.1.5 _____

1.1.6 _____

1.1.7 _____

(7 × 2) (14)

1.2 1.2.1 _____

1.2.2 _____

1.2.3 _____

1.2.4 _____

1.2.5 _____

1.2.6 _____

1.2.7 _____

(7 × 1) (7)

1.3 Difference between a business's vision and mission statements

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(4)

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EXAMINATION NUMBER: | | | | | | | | | | | | | |

1.4 Achieving mission and objectives

(8)

1.5 Offensive strategies to achieve competitive advantage

(3)

1.6 Porter's competitive forces

(5)

1.7 Cost leadership/Differentiation strategies

1.7.1 _____

1.7.2 _____

1.7.3 _____

1.7.4 _____

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EXAMINATION NUMBER:

1.7.5 _____

1.7.6 _____

(6 × 1) (6)

1.8 SMART objective

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_____

(3)

[50]

TOTAL: 50

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