higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N6

(First Paper)

4 June 2021

This marking guideline consists of 3 pages.

Copyright reserved

SECTION A

QUESTION 1

1.1
1.1.1 B
1.1.2 C
1.1.3 A
1.1.4 A
1.1.5 C
(5 × 2) (10)

1.2
1.2.1 True
1.2.2 True
1.2.3 False
1.2.4 False
1.2.5 True
(5 × 1) (5)

1.3
1.3.1 C
1.3.2 A
1.3.3 F
1.3.4 B
1.3.5 D
(5 × 1) (5)

1.4 1.4.1
- Describe the core activity of the business.
- Identify the target market.
- Identify the customer base. (3 × 2) (6)

1.4.2
- Contractors are individuals with their own businesses who offer a specialised service to support a major consultancy contract.
- Subcontractors work directly for contractors to provide specialist services that the contractor cannot cover. (2 × 2) (4)

1.4.3 **<u>ADVANTAGES</u>**
- Lower risk of the business failing
- Existing history of trading
- Existing customer base
- Existing suppliers
- You can see the level of profit achieved by the business.
- The present owner has already sorted out appropriate machinery and equipment.
- Trading position of premises has already been established.
- Existing staff (Any 2 × 2) (4)

DISADVANTAGES

- The present owner may hide business weaknesses.
- The present owner may not have traded legally.
- Customers may be dissatisfied and are no longer buying from the business.
- Suppliers may not have been paid and are no longer willing to supply the business.
- Financial information may not be accurate.
- The person selling the business may not be the owner.
- Equipment used in the business may be outdated.
- The business or owner may have been involved in a scandal that has destroyed the business's credibility.
- The selling price may be inflated. (Any 3 × 2) (6)

1.4.4
- You can own a business that has a proven background and a recognised product or service.
- The franchisor often pays for regular advertising.
- The franchisor provides a proven and effective supply chain for the materials used in the business.
- You have access to business advice from other franchisees and from the franchisor.
- Lenders treat franchise businesses favourably because they have a proven track record.
- The franchisor often offers training to ensure the success of the franchise.
- Customers often favour a franchise with a good reputation.
- The franchisor is a large business entity that can negotiate good prices from the supplier.
- The franchisor constantly does market research and develops new products or services to grow the franchise chain.
- You may need less start-up capital to start a franchise business because the franchisor may provide assistance. (Any 2 × 2) (4)

1.4.5
- Poor performance of the business in relation to competitors
- Stakeholder dissatisfaction with how the business operates
- External pressures from competitors, government and other stakeholders (3 × 2) (6)

[30]

TOTAL SECTION A: 50

Copyright reserved