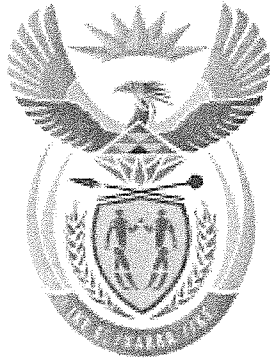
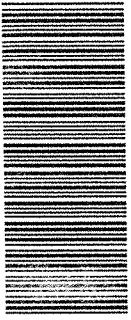


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# higher education & training

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Department:  
Higher Education and Training  
**REPUBLIC OF SOUTH AFRICA**

N460(E)(J3)H  
JUNE EXAMINATION

**NATIONAL CERTIFICATE**

**ENTREPRENEURSHIP AND BUSINESS  
MANAGEMENT N6  
(First Paper)**

(4090336)

**3 June (X-Paper)  
09:00–09:30**

**CLOSED-BOOK EXAMINATION**

**This question paper consists of 6 pages.**

**DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
REPUBLIC OF SOUTH AFRICA  
NATIONAL CERTIFICATE  
ENTREPRENEURSHIP AND BUSINESS  
MANAGEMENT N6  
(First Paper)  
TIME: ½ HOUR  
MARKS: 50**

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**INSTRUCTIONS AND INFORMATION**

1. Answer ALL the questions in the ANSWER BOOK.
  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.
-

**QUESTION 1**

Choose a word/term from COLUMN B that matches a description in COLUMN A. Write only the letter (A–J) next to the question number (1.1–1.10) in the ANSWER BOOK

COLUMN A		COLUMN B	
1.1	Activities by people to get into an economic sector of their choice	A	merger
1.2	What it would cost if you buy it in the current market	B	copreneurs
1.3	When a larger company buys out a smaller one	C	book value
1.4	What the owner will get when it is sold	D	goodwill
1.5	Represent the total market value of all current and long-term assets minus the liabilities	E	survivalist enterprise
1.6	Can be started with minimal capital outlay	F	replacement value
1.7	Refers to the intangible assets of the business	G	market value
1.8	When two companies of equal size combine	H	tangible net worth
1.9	Represents the cost price less depreciation	I	acquisition
1.10	This form reduces the risk of power struggle	J	home-based entrepreneur

(10 x 1)

[10]

**QUESTION 2 (International)**

Give ONE word/term for each of the following descriptions. Write only the word/term next to the question number (2.1–2.10) in the ANSWER BOOK.

- 2.1 The more you manufacture of a product the cheaper the production cost
- 2.2 If a product fails in one country, it can be successful in another country
- 2.3 When a government reduces the tax on exports
- 2.4 Taxes levied by governments on imported goods
- 2.5 The total goods/services produced by a country in one year
- 2.6 This department aims to encourage every business to explore the possibility of exporting.
- 2.7 This is expressed by means of music, fine arts, drama and dance
- 2.8 This foreign manufacturing strategy keeps control over production and marketing
- 2.9 Is an organisation that handles exports on behalf of a group of individuals
- 2.10 Record all the economic transactions between one country and all its trading partners
- (10 × 1) (10)

**QUESTION 3**

Once a franchisor has successfully launched a franchise operation they have SEVEN major sources of income.

Name them. (7)

**QUESTION 4**

In order for the delivery of a service to take place the buyer and seller frequently have to interact with consultancies.

Report the THREE ways how they can do it. (3 × 4) [12]

**QUESTION 5**

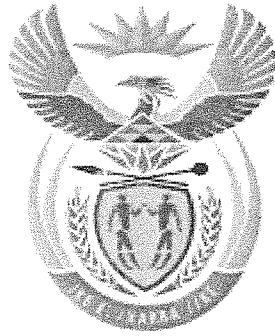
Various options are given as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number (5.1.1–5.11) in the ANSWER BOOK.

- 5.1 Changing a company's mission takes place ...
- A when new management are appointed.
  - B when changes affect the company.
  - C when the company needs more money.
  - D when they want to expand the company.
- 5.2 What is the primary objective of a business?
- A Measurability
  - B Achievability
  - C Profitability
  - D Comprehensiveness
- 5.3 Which strategic objective is correct in order to be more competitive?
- A Faster income growth
  - B Higher return on investment
  - C Better credit rating
  - D Bigger market share
- 5.4 Which function is represented if the objectives are divided in production volume, numbers of outlets, size of premises?
- A Operations
  - B Marketing
  - C Finance
  - D Personnel
- 5.5 It is a quick method to determine a company's strategic situation.
- A Vision
  - B SWOT-analysis
  - C Long-term objectives
  - D Mission
- 5.6 Which sources can be considered as barriers to enter specific industries?
- A Substitute products
  - B Power of buyers
  - C Large capital investments
  - D Power of sellers

- 5.7 ... are those things that a company needs to concentrate on to achieve success.
- A Dominant economic characteristics
  - B Competitive forces
  - C Driving forces
  - D Key success factors
- 5.8 The risk of being a low-cost producer lies in ...
- A becoming so fixed on reducing cost that you may not see important changes in the market.
  - B rivals that nullify your investment in land.
  - C rivals copying your methods of management.
  - D becoming so fixed on reducing cost that you keep on investing in cheap labour.
- 5.9 To launch attacks on a competitor's strength can be done through ...
- A broadening your product line.
  - B adding new features that appeal to the rival's customers.
  - C avoiding suppliers that also serve rivals.
  - D reducing the delivery time of spare parts.
- 5.10 ... is followed when a company selects a specific market segment where buyers have specific preferences.
- A Generic competitive strategy
  - B Low-cost producer strategy
  - C Focus strategy
  - D Differentiation
- 5.11 ... involves offering something special to customers.
- A Generic competitive strategy
  - B Low-cost producer strategy
  - C Focus strategy
  - D Differentiation

(11 x 1) [11]  
[50]

**TOTAL: 50**



# higher education & training

Department:  
Higher Education and Training  
**REPUBLIC OF SOUTH AFRICA**

## **MARKING GUIDELINE**

**NATIONAL CERTIFICATE**  
**JUNE EXAMINATION**  
**ENTREPRENEURSHIP AND BUSINESS**  
**MANAGEMENT N6**  
**(First Paper)**

**3 JUNE 2013**

**This memorandum consists of 4 pages.**

**QUESTION 1**

- 1.1 E
- 1.2 F
- 1.3 I
- 1.4 G
- 1.5 H
- 1.6 J
- 1.7 D
- 1.8 A
- 1.9 C
- 1.10 B

(10 × 1) [10]

**QUESTION 2**

- 2.1 Economies of scale
- 2.2 Geographic diversification
- 2.3 Export incentives
- 2.4 Import tariffs
- 2.5 Gross domestic products
- 2.6 Dept of Trade and Industry
- 2.7 Aesthetics
- 2.8 Joint venture
- 2.9 Trading house
- 2.10 Balance of payments

(10 × 1) [10]



ENTREPRENEURSHIP AND BUSINESS  
MANAGEMENT N6**QUESTION 3**

- Upfront fees
- Royalties
- Advertising fees
- Sales of products
- Rental and lease fees
- License fees
- Management fees.

(7 x 1) [7]

**QUESTION 4**

1. Purchase of expertise
    - Identify the problem
    - Buy the required service
    - Consultant act as task-interactive organisation(4)
  2. The doctor–patient scenario
    - Client uncertain of problem cause
    - Consultant diagnoses what is wrong, recommends solution
    - Consultant acts as personal-interactive organisation(4)
  3. Process consultation
    - Client and consultant work jointly to diagnose what is wrong: recommend a solution
    - Consultant aims to pass on skills how to diagnose and solve the problem
    - Client can improve organisation on his own(4)
- [12]

**QUESTION 5**

- 5.1 B
- 5.2 C
- 5.3 D
- 5.4 A
- 5.5 B

ENTREPRENEURSHIP AND BUSINESS  
MANAGEMENT N6

5.6 C

5.7 D

5.8 A

5.9 B

5.10 C

5.11 D

(11 x 1) [11]  
[50]

**TOTAL: 50**