

**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)**

12 JUNE 2014

This marking guideline consists of 3 pages.

ENTREPRENEURSHIP AND BUSINESS MANAGEMENT
N6
(First Paper)**QUESTION 1**

- Developing a objective and mission
- Converting the mission into a specific
- Long term objective to achieve these objective
- Developing a strategy to achieve these objectives
- Implementing the strategy
- Evaluating the performance

(Any 5 x 1)

[5]**QUESTION 2**

- Educational level
- Relevant business experience and training
- Access to adequate capital and credit
- Social pressure
- Regarded as inferior by many men in traditional male dominant businesses.

[5]**QUESTION 3**

- Supply items that make up a big part of the industry's product.
- Supply products that is essential in the production process.
- Supply affects the quality of the product.
- If the supplier has the power to squeeze the industry and makes it difficult to switch to other
- Suppliers or supplier build up switching cost.
- The supplier can supply a component cheaper than the industry can make them.
- When the buyer has few other sources of supply.
- If the supplier has many other buyers

(8 x 1)

[8]**QUESTION 4**

Increase the efficiency of the operations in the business – contains cost where possible.

Cut out cost-producing activities.

Develop new products that are spin-offs of the prevention of squandering.

To sell large quantities of the range of products in stock obtaining high turnover.

(4 x 1)

[4]**QUESTION 5**

- 5.1 Determine whether the business gives you a better return on your investment than any other opportunities.
- 5.2 Express the various types of expenses as a percentage of sales.
Helps you to compare businesses in the same industry.
It indicates which expenses are too high.

- 5.3 Establish if the business is still viable and solvent.
The business to be solvent the net assets must exceed the net liabilities
- 5.4 To check how long the debtors take to pay their debts.
To check if large amounts of working capital can be tied up in outstanding Accounts. (Any other applicable answer) (4 x 2) [8]

QUESTION 6

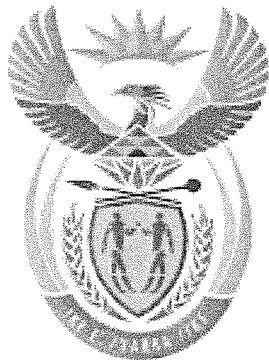
- 6.1
- Who the franchiser is.
 - What skills and resources will assist in the infrastructure?
 - What are the common channels and support structures?
 - Does the franchiser keep up with the changing techniques?
 - Is the franchiser a member of FASA?
 - The relationship between franchisers and franchisees.
- (Any other applicable answer) (Any 3 x 2) (6)
- 6.2
- Up front fees
 - Royalties
 - Advertising
 - Sales of products
 - Rentals and leases
- (Any 4 x 1) (4)
[10]

QUESTION 7

- It leads to an improvement in living standards, new development and growth opportunities and the expansion of the economy (economy growth).
 - Foreign money (foreign exchange) comes into the country, which means favourable export and import transactions (balance of payments account which is a record of all the transactions between one country and all the country and all the countries with it is trading).
 - It creates employment, which leads to a rise in standards of living.
 - The country is exposed to new technology and knowledge, which leads to an improvement in the quality of its products and their competitiveness.
 - Additional taxes are generated through tariff and duties that are levied against imports.
- (5 x 2) (10)

TOTAL: 50

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REPUBLIC OF SOUTH AFRICA

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JUNE EXAMINATION

NATIONAL CERTIFICATE

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

(4090336)

**12 June 2014 (X-Paper)
09:00–09:30**

CLOSE-BOOK EXAMINATION

This question paper consists of 3 pages.

**DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA
NATIONAL CERTIFICATE
ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N6
(First Paper)
TIME: 30 MINUTES
MARKS: 50**

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.
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QUESTION 1

Give FIVE the steps of a strategic planning process.

(5 x 1) [5]

QUESTION 2

Give FIVE reasons female entrepreneurs find it difficult to survive as entrepreneurs.

(5 x 1) [5]

QUESTION 3

Give EIGHT reasons why the power of the supplier, as a competitive force, puts the supplier in a strong bargaining position.

[8]

QUESTION 4

Apply FOUR basic ways companies can keep their cost lower to gain a cost advantage over other companies.

[4]

QUESTION 5

To be able to judge the financial position of a business, one can use certain ratios.

What does each of the following ratios indicate?

5.1 Return on investment

5.2 Operating ratio

5.3 Current ratio

5.4 Debtors ratio

QUESTION 6

As a potential franchiser, you should investigate the franchise business.

6.1 Name THREE important aspects you need to know about the franchiser.

(3 x 2) (6)

6.2 Name FOUR types of franchisee fees.

(4 x 1) (4)

[10]

QUESTION 7

Give FIVE reasons why governments are in favour of international trade.

(5 x 2) (10)

TOTAL: 50