



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

JUNE EXAMINATION

**ENTREPRENEURSHIP AND BUSINESS
MANAGEMENT N5
(Second Paper)**

31 MAY 2016

This marking guideline consists of 7 pages.

QUESTION 1

- 1.1 Social responsibility
- Offer discounts to the church
 - Help at fund raising
 - Assist the church in planning events
 - Donate flowers
 - Provide employment for unemployed church members (4 × 2) (8)
- 1.2 Methods of teamwork
- Motivate the team to compete competitively in sports against other teams
 - Arrange regular social contacts with other teams
 - Provide them with motivational workshop
 - Enter them in an adventure vase
 - Create a proper working climate/corporate identity (4 × 2) (8)
- 1.3
- Physically – Exercise, eat right
 - Mentally – Study, read magazine consult other medics to allow mind to conceptualise new concepts and be more creative
 - Spiritually – for example have a religion, or believe in something
 - Socially – Belong to a family, sports, involves the need to contact with other people and to feel part of bigger association (4 × 4) (16)
- 1.4 Selection procedures/steps
- Step 1: Application forms
- Provide the business with the personal information about the candidate
 - Ask the candidate to complete the application forms/send in their Curriculum Vitae
- Step2: Initial interview
When all applicant have submitted their application form/or curriculum vitae, evaluate them, select the best and put them on a short list
- Step 3: Interview
- This is a very important part between business and the candidate because it is usually the first time they meet face to face
 - Different kinds of interviews will be used to gather information.
- Step 4: Testing/Psychological – Can be used to test the application skills.
- Step 5: Approval by the supervisor – They know what personal qualities or characteristics are necessary for the job.
- Step 6: Physical Examination – Evaluates the candidate mental physical health of the position.

ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N5
(Second Paper)

Step 7: Orientation induction – process of introducing the new employee to the business.

(7 × 2) (14)

1.5 CREDIT SCREENING

- Bank details
- Current trade references/credit references
- Details of employment

(2 × 2) (4)
[50]

QUESTION 2

2.1 Owned business, Nozipho started Florist Magic in her backyard in Pimville, Soweto

(4)

2.2 Job description:

- Job title: Salesperson
- Report to: Owner/Nozipho

Duties:

- (a) Attend to customer
- (b) Display merchandise
- (c) Advertise stock
- (d) Take and process order
- (e) Arrange payments, delivery et cetera for customers

(10)

2.3 Basic Conditions of Employment ATCT

- Helps Nozipho to determine the minimum working hours, annual leave, maternity leave, minimum wage and regulations of sick leave. (2 × 2)

(4)

Unemployment Insurance Fund Act

- Fund which employer and employee contribute to
- In the event of the employee being retrenched, she/he can claim for this fund (2 × 2)

(4)

Machinery and Occupational Safety Act

- Protect the safety of workers in the work environment
- Promotion of occupational hygiene in general

(2 × 2) (4)

ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N5
(Second Paper)

- 2.4
- Offer enough wage/salary
 - Train and develop staff
 - Offer bursaries to their children
 - Ensure safe and health working conditions
 - Medical assistance
 - Bonuses
 - Provide employee support programmes
 - Promote family welfare
- (6 × 2) (12)
- 2.5
- Step 1: Effective performance – Explain Exactly what has to be done.
Define what has to be done.
- Step 2: Measuring current performance – compare the fixture performance with what has to be done.
- Performance must be measured against standard set to be able to detect deviation.
- Step 3: Informing the worker – when fault/deviations are detected the worker should be properly informed about deviations from standard set.
- Step 4: Select remedial action – Decision has to be taken by on how best to rectify the situation for example training, (that is motion, improving communication.
- Step 5: Re-evaluation of performance – Once corrective action is taken follow-ups must be made.
- Step 6: Continuation/Discontinuation of the action will tell whether more corrective measures have to be taken or either problem is solved no need for continuation of remedial action
No deviation, No more training, Demotions et cetera.
- (6 × 2) (12)
[50]

QUESTION 3**3.1 DECISION-MAKING PROCESS**

Step 1: Diagnose and define the problem – not certain whether to renovate her business or employ an additional lady.

Step 2: Gather and analyse information – which would bring higher income
Determine the size of the business, type of person needed

Step 3: Put real problem in writing – can be in the strategic plan of the business, be in a meeting or in a diary

Step 4: Establish decision-making criteria

- Discuss it with other staff, time frame, and return on investment
- Determine costs of renovations

Step 5: Develop alternative solutions

- Avoid risk and no renovations
- Employ an additional lady

Step 6: Determine possible results – look for facts and figures

Step 7: Decide/take action – choose one option

Step 8: Make follow-up decision
Compare actual results with expected results

(8 × 2) (16)

- 3.2
- Well established and recognised business
 - Reasonable prices
 - Well marketed business
 - Good customer services
 - High quality work

(4 × 2) (8)

- 3.3
- Creates employment
 - Improve standard of living
 - Increase gross domestic product

(2 × 2) (4)

3.4 Participative decision-making – refers to the involvement of workers in decision-making process.

Advantages

- Involvement of people who are affected by the decision
- Ensure acceptance of the decision
- Use the human resource skills available

(3 × 4) (12)

- 3.5
- Service/product: flower arrangement/florist
 - Target market
 - Technology
 - Objectives
 - History
 - Name of the business
- (5 × 2) (10)
[50]

QUESTION 4

- 4.1 Return on investment

$$\frac{\text{Net income before tax} \times 100}{\text{Total assets}}$$

$$\frac{58\,000 \times 100}{574\,000} = 10\%$$

$$= 10\%$$

(6)

- 4.2 No, The business has generated 10% profit.
10% is lower than what the bank offered

(6)

- 4.3 4.3.1 ACID test ratio

$$= \frac{\text{Current assets less stock}}{\text{Current liabilities}}$$

$$= \frac{110\,000 - 10\,000}{50\,000}$$

$$= 2:1$$

- 4.3.2 Average Collection period

$$= \frac{\text{Credit sales}}{\text{Debtors}}$$

$$= \frac{719\,600}{80\,000}$$

$$= 9 \text{ times}$$

$$= \frac{\text{Average collection period}}{9}$$

$$= \frac{365}{9}$$

$$= 40.56 \text{ days}$$

(12)

- 4.4 Current ratio = $\frac{\text{Current assets}}{\text{Current liability}}$
 = $\frac{110\,000}{50\,000}$
 = 2, 2:1 (6)
- 4.5
- Purchasing department
 - Personnel department
 - Marketing department
 - Sales department
 - Information Technology department (5 × 1) (5)
- 4.6 Scheduling
- Prepare a plan or a programme of activities and allowing each activity resources and time completed
- Planning of activities and control
- Plan and manage activities properly. This is deciding on what materials to be
 - Purchased, how much to be purchased and when to do the ordering
- Quality control
- Quality checks must be done at certain stages of the transformation process.
- Maintenance
- Involve the correction or prevent of faults, problems and breakdowns done by machinery and equipments not services properly, human errors and technical's failures.
- Performance
- Focuses on the day to day operations of a business
 - Decide on the proper work methods to be used, how performance can be evaluated. (5 × 3) (15)
- TOTAL: 150**
- [50]**