



**higher education  
& training**

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

# **MARKING GUIDELINE**

**NATIONAL CERTIFICATE**

**ENTREPRENEURSHIP AND BUSINESS  
MANAGEMENT N5**

(Second Paper)

**4 JUNE 2018**

**This marking guideline consists of 9 pages.**

**QUESTION 1**

## 1.1 Proactivity✓

After the accident in which his parents died he took the initiative to start a transport business. Today he is a successful entrepreneur.✓✓

Beginning with the end in mind✓

A personal mission statement will enable him to focus on what he wants to be, what he wants to do and the values of his actions.✓✓

Determine priorities✓

He should put first things first. Certain activities need urgent attention.✓✓

The win/win combination✓

He should see to it that all stakeholders in his business feel good and benefit from the mutual acceptance of the result of other people's decisions.✓✓

The other point of view✓

He should learn to understand and accept that people are from different backgrounds, have different tastes and language choices and therefore perceive things differently.✓✓

Synergy✓

He and his employees should practice a combined approach to decision making. He should learn to interact with his employees. Team effort is needed.✓✓

Personal motivation✓

Koba should remain committed and focused on his mission. He should take good care of himself (physically, mentally, spiritually and socially.)✓✓

(Any relevant explanation. 1 mark for action and 2 marks for explanation.)

(7 × 3)

(21)

## 1.2 Decision-making process (steps)

Step 1 Diagnose and define the apparent problem

He should determine the benefit and origin of the situation.✓✓

Step 2 Gather and analyse the information

Collect as much information as possible on both business ideas – employing a new driver or expanding to other parts of the country.✓✓

Step 3 Put the real problem in writing

What are the real situations (positive and negative effects)✓✓

Step 4 Establish decision-making criteria

Determine who to meet to assist in making an informed decision.✓✓

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- Step 5      Develop alternative solutions  
Have an option. ✓✓
- Step 6      Determine possible results  
What will be the impact of the business decision taken with regard to the solution? ✓✓
- Step 7      Take action  
Take action – start the work – employ a new driver or expand. ✓✓
- Step 8      Make follow-up decisions  
Carry out a realistic implementation and evaluation. ✓✓  
(2 marks for explanation) (8 × 2)      (16)
- 1.3      1.3.1      Customers  
The day-to-day concern of any business is their customers. If you provide timely services, make customers feel important, and welcome and appreciate them, there will be an increase in the demand for KM Transport, which will lead to an increase in the income of the business. ✓✓
- 1.3.2      Suppliers  
Suppliers providing good quality buses, taxis and cars to KM Transport will assist in providing better services to their customers. ✓✓
- 1.3.3      Competitors  
Competition can be used in a healthy sense. The pricing methods of the business, cutting down some of the business overhead costs and gaining economies of scale can result in more profit. ✓✓
- 1.3.4      Government  
If the government decides to use the services of KM Transport for school programmes this will increase their income. ✓✓  
Government regulations that promote transport systems will encourage and assist the business in growing their customer base.  
(4 × 2)      (8)
- 1.4      Knowledge of basic conditions of employment  
Koba should have a basic knowledge of the conditions of employment to help him deal with his workers ✓ with regard to salary, ✓ working hours, overtime, working on Sundays and public holidays, ✓ annual and sick leave, ✓ employment and termination of service contracts. ✓  
(5 × 1)      (5)
- [50]**

**QUESTION 2**

- 2.1
- It should be placed in a frame✓
  - Business name and location✓
  - Post title/position✓
  - Duties✓✓✓✓
  - Qualifications and skills✓
  - Contact person✓
  - Conditions of service (salary and working time)✓
  - Closing date✓
- (Maximum of 10 marks)

<b>KM TRANSPORT</b>	
<b>Position:</b>	Driver
<b>Duties:</b>	Driving, cleaning and maintaining the bus
<b>Qualifications and skills:</b>	Driver's license (Code 14) 5 years' driving experience and ability to drive long distances and work flexible hours
<b>Contact person:</b>	Mr A N Monate 057 355 5768/073545678 <a href="mailto:mon@gmail.com">mon@gmail.com</a> No. 1265 White House Street P.O. Box 4567 Phomolong Henneman 9556
<b>Conditions of service:</b>	Salary range between R10 000–R15 000 13 <sup>th</sup> cheque, mandatory working conditions Overtime and medical aid
<b>Location of the post:</b>	Virginia, Free State
<b>Closing date:</b>	25 September 2018 before 15:00

(10)

- 2.2
- 2.2.1
- The way in which the workers are given the opportunity to achieve and to advance, as well as recognition for their efforts.
  - Factors such as salaries, working conditions, status, promotion possibilities, recognition of work and responsibilities play an important role.
- 2.2.2
- Individual needs should be addressed.
  - Physiological and security needs such as food and water, air, shelter and protection are important.

- 2.2.3
- Use a consultative and participative management style, rather than an exploitative and benevolent style.
  - This will contribute more to the motivate the workers.
- (3 × 4) (12)
- 2.3
- The business can offer free transport to orphans.
  - They can use support programmes that help to prevent crime and drug abuse.
  - They can support sports.
  - They can offer bursaries to needy children.
  - They can offer more jobs to the youth.
- (5 × 2) (10)
- 2.4 The following factors should be in place when delegating a job:
- Responsibility✓  
Assign tasks with clear guidelines to the person who is to perform the task.✓✓
- Authority✓  
Sufficient authority must be given to act on behalf of the delegator. ✓
- Accountability✓  
Once a job is assigned and accepted, it is followed by an obligation on the part of the delegate. The delegate is now accountable if the job is not successfully completed.✓✓
- (8)

2.5	<p>Job title: Marketing administrator</p> <p>Report to: Owner✓</p> <p>Statement of purpose: To assist in and take responsibly for marketing of the business products/services✓</p> <p>Responsibility or duty of the job:</p> <ul style="list-style-type: none"> <li>• Marketing of the business product✓</li> <li>• Creating awareness of the product✓</li> <li>• Preparing the marketing budget✓</li> <li>• Controlling the marketing department✓</li> <li>• Assisting in the strategy planning (Any relevant duties)</li> </ul> <p>Supervision given: None or any given period</p> <p>Supervision received: 1 month</p> <p>Qualification: Degree in marketing</p> <p>Specific skills: Marketing skills and computer literate</p> <p>Previous experience: 3 years' working experience in a similar industry</p> <p>Working conditions: Regular working conditions</p> <p>(4 marks for duties, 1 mark for statement of purpose, 1 mark for framing and the rest for any relevant point. Maximum of 10 marks)</p>	(10) [50]
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**QUESTION 3**

3.1 Return on investment

$$\frac{\text{Net profit after tax} \times 100}{\text{Owner's equity (capital)}} \checkmark$$

$$\frac{299\,880 \checkmark \times 100 \checkmark}{690\,000 \checkmark}$$

$$\frac{29\,880\,000}{690\,000}$$

$$43,46\% \checkmark$$

(5)

3.2 Current ratio

$$\frac{\text{Current assets}}{\text{Current liabilities}} \checkmark$$

$$\frac{730\,000 \checkmark}{314\,000 \checkmark}$$

2,32 : 1 ✓✓

(5)

3.3 Yes ✓

Acid-test ratio

$$\frac{\text{Current assets - stock} \checkmark}{\text{Current liabilities} \checkmark}$$

$$\frac{730\,000 - 280\,000}{314\,000}$$

$$\frac{450\,000 \checkmark}{314\,000 \checkmark}$$

1,43 : 1 ✓

Debtor's collection periods

$$\frac{\text{Average debtors} \times 365 \text{ days} \checkmark}{\text{Credit sales}}$$

$$\frac{150\,000 \times 365 \checkmark}{270\,200 \text{ (40\% of 675 500)} \checkmark}$$

202,63 days ✓

(10)

- 3.4
- Define what is to be measured.
  - Determine the unit of measurement.
  - Establish the desired level.
  - Measure the actual against the projected desired result.
  - Accept or reject the outcome.
- (5 × 2) (10)

- 3.5
- Prices of suppliers as well as payment methods and discount
  - Frequency and costs of delivery
  - Quality of raw material could affect quality of products
  - Service efficiency of suppliers and salesmen
  - Quantity of supply
- (5 × 2) (10)





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4.2	4.2.1	<ul style="list-style-type: none"> <li>• New entrants coming into the business may attract more people since there is no tourism business in the area.</li> <li>• Her knowledge of the industry will be an advantage.</li> </ul> <p style="text-align: right;">(Any ONE)</p>		
	4.2.2	<ul style="list-style-type: none"> <li>• Advertising in both the local and national media will assist her in passing on information about the business.</li> <li>• The local media are willing to sponsor her business.</li> </ul> <p style="text-align: right;">(Any ONE)</p>		
	4.2.3	<ul style="list-style-type: none"> <li>• Her services will be rendered throughout the year.</li> <li>• The business has a renowned tour guide.</li> </ul> <p style="text-align: right;">(Any ONE)</p>		
	4.2.4	Her prices are reasonable and affordable.		
	4.2.5	<ul style="list-style-type: none"> <li>• Customers are held as the core duty of the business.</li> <li>• Timely services</li> </ul> <p style="text-align: right;">(Any ONE) (5 × 2)</p>		(10)
4.3	4.3.1	Spells out the minimum working conditions, e.g. ✓✓ Working hours ✓ Overtime ✓ Method of payment Working even on Sundays and other public holidays		
	4.3.2	Provides compensation for workers or their dependants ✓✓ for loss of income as a result of disability or death by an accident in the workplace (while on duty). ✓✓		
	4.3.3	Provides a framework for cooperation ✓✓ and a working relationship between employer and employee. ✓✓		
	4.3.4	Makes provision for those who were working before but are now either retired or retrenched. ✓✓ It is a mandatory contribution from both employer and employee. ✓✓		
	4.3.5	Makes provision for the safety and health of workers at work. ✓✓ Provides for the safety of people using equipment and tools. ✓✓ Provides protection against threats to their safety.	(5 × 4)	(20)
			<b>TOTAL:</b>	<b>[50] 150</b>