



# higher education & training

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

N470(E)(M27)H

## **NATIONAL CERTIFICATE**

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

(4090315)

**27 May 2019 (X-Paper)  
09:30–12:00**

**OPEN-BOOK EXAMINATION**

**Calculators and FIVE reference works, including dictionaries, textbooks and student files containing lesson notes, may be used.**

**This question paper consists of 7 pages.**

**DEPARTMENT OF HIGHER EDUCATION AND TRAINING**  
**REPUBLIC OF SOUTH AFRICA**  
NATIONAL CERTIFICATE  
ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N5  
(Second Paper)  
TIME: 2 HOURS 30 MINUTES  
MARKS: 150

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**NOTE:** If you answer more than the required number of questions, only the required number will be marked. Clearly cross out ALL work you do NOT want to be marked.

**INSTRUCTIONS AND INFORMATION**

1. Answer any THREE questions.
  2. Read ALL the questions carefully.
  3. Number the answers according to the numbering system used in this question paper.
  4. Marks will NOT be allocated for copying directly from the textbooks.
  5. Write neatly and legibly.
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**SECTION B****QUESTION 2**

- 2.1 The wife of the owner of Maria Stores is undecided whether or not to sell the store she has owned for many years. After her husband's death she would like to go back to her village.

Use the SEVEN steps of the decision-making process to help her make an informed decision.  (7 × 2) (14)


- 2.2 Morubane is the owner and chief executive officer of Morubus Transport Services in Vuselala. He daily transports students and staff to school and work places. He has cars and buses for hire, as well as for special occasions, such as weddings, camping and religious events. His services are in great demand, especially during weekends and major events. The business has the following structure: Transport manager with five drivers, an event manager and two assistants.

- 2.2.1 How would you advise Morubane on departmentalising his business by means of the following:

-  A Time  
B Customers  
C Products  
D Processes  
E Functionality

(5 × 4) (20)

- 2.2.2 List FOUR factors that a business owner should take into account when planning to choose a supplier. (4 × 2) (8)

- 2.2.3 Indicate whether the following statement is TRUE or FALSE. Choose the answer and write only 'true' or 'false' next to the question number (2.2.3) in the ANSWER BOOK. 


Priorities are goals set by business people which are defined by time frames. (2)

- 2.2.4 Draw an organisational structure for Morubus Transport Services. (6)  
**[50]**

**QUESTION 3**

3.1 Mary wants to start a business doing office work, such as typing documents, photocopying, faxing and printing. A few computers will also be made available for Internet access. She plans to appoint FOUR staff members.

She calculated that her fixed cost will be R8 000 and variable costs R3 500 per month. Mary's assumption is that her average weighted gross profit percentage with a selling price of R80 and cost price of R35 will be 25,5%.

3.1.1 Identify TWO examples of Mary's fixed costs and TWO variable costs.  (2 × 2) (4)

3.1.2 State FIVE items that must appear on the employment contracts of Mary's staff members. (5)


3.1.3 Name and explain THREE internal and THREE external environmental factors that could impact Mary's business positively. (12)

3.2 Calculate the following for Mary:

3.2.1 Breakeven point in rand value. (4)

3.2.2 How many units will she sell per month to break even? (4)

**HINT:** Unit price

3.2.3 If Mary wants to make a profit of R5 000, what will be her breakeven point in rands?  (5)

3.3 Explain how Mary will make sure that, as an employer, she complies with the following legislation:

3.3.1 Labour Relations Act

3.3.2  Unemployment Insurance Fund (UIF)

3.3.3 Basic Conditions of Employment Act

3.3.4 Employment Equity Act



(4 × 4) (16)  
**[50]**

**QUESTION 4**

It has been proven that with a TVET college education, there is no limit to the possibilities.

Mamodise is a young lady from a rural farm in Saron, outside Porterville in the Western Cape. She lost both her parents at the age of eight and was forced to live with her neighbours 40 km away from home. From an early age, she motivated herself to become independent and to help her brother and sister financially despite poverty and a lack of opportunities.

She was fortunate enough to have listened to a motivational speaker on Radio 2000, who was speaking about: 'Your circumstances should never be a barrier to your happiness and success.' Today, Mamodise is the proud owner of Bonner's Academy in the Western Cape. The academy appoints more than 10 staff members and offers mentorship programmes to many community members.

- 4.1 Discuss Mamodise's attitude regarding the following:
- 4.1.1 Proactive
  - 4.1.2 Begin with an end in mind
  - 4.1.3 Think win-win situation
  - 4.1.4 The other viewpoint
  - 4.1.5 Priorities  (5 × 2) (10)
- 4.2 Delegation is the process whereby a manager or owner assigns authority and responsibility to a subordinate.
- 4.2.1 Discuss any FOUR possible reasons why a manager/owner sometimes feels reluctant to delegate tasks. (4 × 3) (12)
  - 4.2.2 An entrepreneur must take note of the different types of power.
    -  Explain and give a practical example of the phrase: 'Knowing your power is important, but recognising the power position of another person or group is vital'. (3 × 4) (12)
- 4.3 Draw up a job description for a marketing manager. Include at least FOUR duties. (Your response should include the following: Job title, location, reporting authority, job summary, duties, requirements, terms and conditions). (16)  
**[50]**

**QUESTION 5**

5.1 Study the balance sheet of Bonner's Academy below and answer the questions.

**NOTE: Use the after tax figure and show ALL calculations.**

**Balance sheet of Bonner's Academy as at 30 April 2017**

|                              |          |                 |
|------------------------------|----------|-----------------|
| <b>Employed capital</b>      |          | R370 000        |
| Owner's equity               |          |                 |
| Capital                      | R289 500 |                 |
| Net profit after tax         | R80 500  |                 |
| Long-term loan               |          | R150 000        |
|                              |          | <b>R520 000</b> |
| <b>Employment of capital</b> |          | R330 000        |
| Land and building            | R250 000 |                 |
| Equipment                    | R80 000  |                 |
| <b>Current Asset</b>         |          | R120 000        |
| Stock                        | R15 000  |                 |
| Debtors                      | R90 000  |                 |
| Bank and cash                | R15 000  |                 |
| <b>Current liabilities</b>   |          | R70 000         |
| Creditors                    | R70 000  |                 |
|                              |          | <b>R520 000</b> |

Additional information:

1. Net profit before tax from the income statement R180 000.
2. Total sales amounted to R650 000.

5.1.1 Work out the short-term liquidity position of the business.

HINT: Current ratio (5)



5.1.2 How well is the business compensating Mamodise (owner of Bonner's Academy) for the risk taken?

HINT: Return on investment (6)

5.1.3 Does the business have enough cash to cover its debt?

HINT: Acid test ratio, average collection period (80% of sales are on credit) (12)

5.1.4 Was it worthwhile for Mamodise to take the risk? Give THREE reasons. (6)

- 5.2 Identify FIVE areas of operations management control and explain how each can contribute to the success of any business.  (5 × 3) (15)
- 5.3 Dzana, the proud owner of Dzana coffee shop in Multi Central Mall, wants to become more competitive in the industry. Advise her on how she could implement the following:
- 5.3.1 Price competition
- 5.3.2 Customer services 
- 5.3.3 Improvement of product/services (3 × 2) (6)
- TOTAL SECTION B: 150**  
**GRAND TOTAL: 200**