



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

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

25 May 2021

This marking guideline consists of 11 pages.

SECTION B**QUESTION 2**

2.1 Economy✓

- Businesses depends on the economy of the country to survive. If the economy of the country is not doing well enough to allow most people to be employed, then Yellow Bone's business will not do well, as the weak economy will decrease the disposable income of households who will want to spend money on entertainment or few luxury services.✓
- If interest rates and inflation are on the rise it will also have a negative effect on Yellow Bone's business as the cost of borrowing will be high.

Political forces✓

- Every country has laws and regulations that govern its citizens. Influence from any of the following lobby groups – government, opposition parties, women rights groups, Competition Commission, labour unions, major shareholders and religious groups who are opposed to underage girls taking part in sports outside their communities may negatively affect Yellow Bone's business. ✓

Cultural forces✓

- South Africa has a very rich culture. The culture of not allowing girls to take part in sports just as their male counterparts will negatively affect Yellow Bone's business, who will be struggling with parents to allow their daughters to join the football academy.✓

Technological forces✓

- The level of knowledge, tools and techniques used today are very innovative. South Africa needs to grow with the daily changes in the world. Yellow Bone Academy could be negatively affected if our knowledge of sports is still naïve.✓

International environment✓

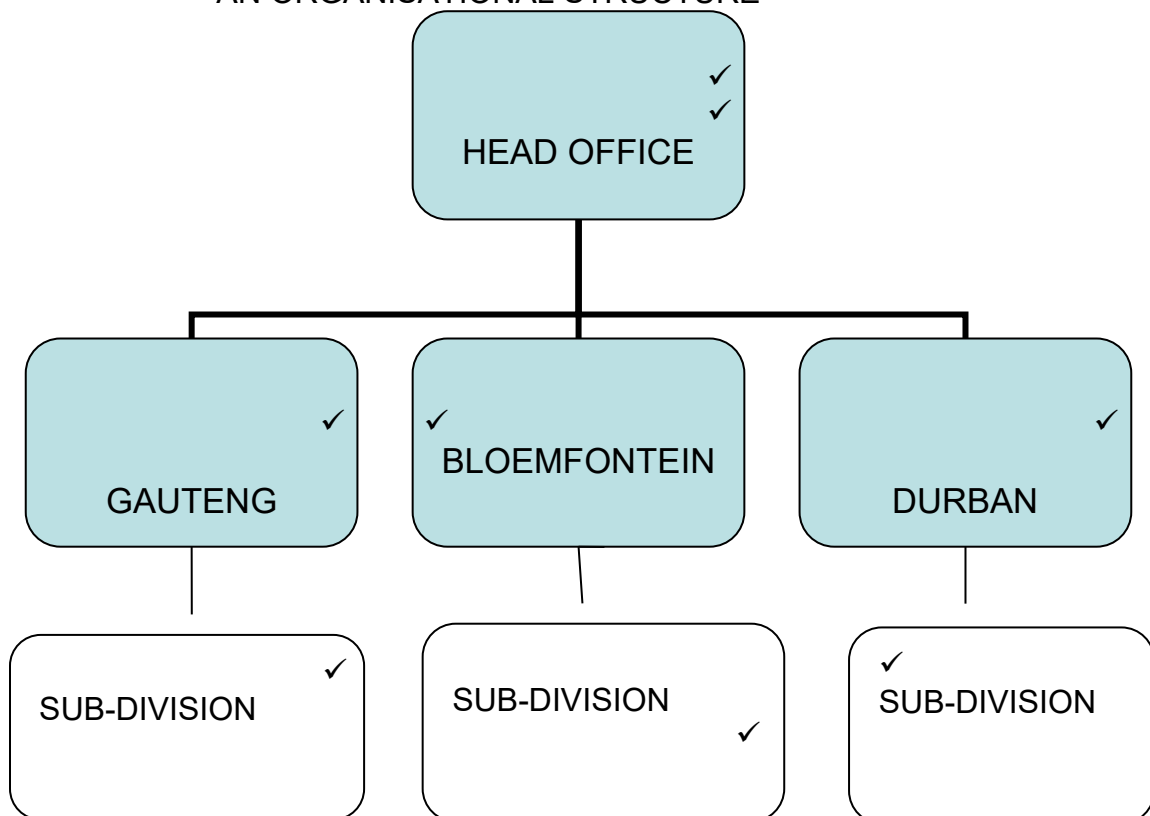
- The positive effect of sport in the world today cannot be underestimated. South Africa cannot be left behind. Any negative impact on sport internationally will affect Yellow Bone Academy as the stakeholders will not be willing to sponsor this effort. The situation outside of South Africa will negatively affect chances of travelling overseas with the players.✓

(5 × 2) (10)

- 2.2
- The job or post title✓
 - Duties of the incumbent✓✓
 - Nature of the appointment (permanent or commission-based)✓
 - Qualification of the incumbent, which should include among others management skills, knowledge of football✓
 - Experience and track record in sport – football✓
 - Place of work✓
 - Working conditions – salary, leave and other benefits✓
 - Closing date✓
 - Contact person✓
- (10)

- 2.3
- Motivating a group is not that easy as people are all different; therefore, Yellow Bone may use any of the following:
- Setting a goal and pay them after successfully achieving the goal, i.e. winning a match
 - Featuring prominently in the match
 - Developing them academically
 - Giving them responsibilities
 - Giving them a say in the choosing of players for a match
 - Reasonable monthly stipends and allowances
 - Social interaction
 - Freedom of association
 - Believing in the players
- (Any 5 × 2) (10)

2.4 AN ORGANISATIONAL STRUCTURE



(2 marks for head office and 1 mark for each additional block) (8)

2.5.1 Return on Asset

$$\frac{\text{Net Profit before Tax} \times 100}{\text{Total Assets}}$$

$$\frac{292\,950 \times 100}{580\,000}$$

$$50.51\%$$

(5)

2.5.2 Tax payable to SARS

$$\frac{25 \times 292\,950}{100}$$

$$R73\,237.50$$

(3)

2.5.3 Return on Asset after Tax

$$\frac{\text{Net Profit after tax} \times 100}{\text{Total Assets}}$$

$$\frac{292\,850 - 73\,237.50 \times 100}{580\,000}$$

$$\frac{219\,612.50 \times 100}{580\,000}$$

$$37.86\%$$

(4)

[50]**QUESTION 3**

3.1 Appointment of a suitable patrol coordinator

- Step 1: Initial interview – telephone or personal enquiry by applicant/application
- Step 2: Application form – obtaining personal information about the applicant/application
- Step 3: The interview – direct contact with the applicant and instruction to the community
- Step 4 Tests – test skills, for example driving, response to alarm
- Step 5: Approval – have experience in the field of work
- Step 6: Physical examination – physical check-up, for example, hand-eye co-ordination
- Step 7: Induction – introductions to the community and the organisation, and to job description

(7 × 2)

(14)

3.2 Job generalisation implies giving a worker a wide range and variety of tasks to perform.

Advantages:

- Challenges for each worker
- Replacement is possible
- Development of expertise
- Improved quality
- Specification is possible
- No monotonous routine
- Increased productivity

(Any 2 × 2) (4)

3.3 Name

- Duduza patrol services✓✓
- Duduza against crime project
- Enough is enough in Duduza
- Easy to identify✓✓
- Easy to say
- Easy to remember
- Relevant to the community (relevant motivation)

(Any suggestion)

(2 marks for any name and 2 marks for reason)(2 × 2) (4)

3.4

Basic Income Statement

Income (contributions) 200x1500		R 300 000.00✓✓
Less expenses:		(R 277 280.00)✓✓
Airtime and telephone expenses	R 14 000.00✓	
Salaries and wages	R 178.000.00✓	
Car expenses	R 51 000.00✓	
Staff uniforms	R 8 000.00✓	
Staff benefits	R 25 000.00✓	
Whistles to households	R 1 280.00✓	
Surplus		R 22 720.00✓✓

(12)

3.5 Basic Conditions of Employment Act

The Act will help the management of Duduza community patrol to determine the minimum working conditions of each employee.✓✓ This includes working hours, annual leave, maternity leave.✓ minimum wage and regulations of sick leave.✓

Compensation for Occupational Injuries and Diseases Act

- It provides for workers or their dependants to be compensated for loss of income as a result of disability caused by an accident at work.
- It is a kind of insurance for workers.

(2 × 4) (8)

- 3.6
- Affected persons may not be able to work.
 - Affected persons require significant medical care, which will impact negatively on the output of business.
 - There will be a decline in the economic wellbeing of the communities with a significant Aids-infected population.
 - Skilled labour may reduced.
 - Reduction in productivity due to loss of young and skilled labour.
 - Increase in mortality will weaken the system that generate human capital and investment in people through loss of income and death of parents.
- (Any 4 × 2) (8)

QUESTION 4

- 4.1
- Better customer service and warranties
 - Affordable price
 - Timely services
 - Freshly and healthy food
 - Granting of credit
 - Discount on quantity sales
 - Monthly promotion
 - Advertising and promotions should meet customers' needs.
 - Improvements on products and services.
 - Product differentiation
 - Substitute goods and services
- (Any 3 × 2) (6)
- 4.2
- Concept of ethics
- Ethics refers to moral principles or a set of values held by an individual or group.
 - To evaluate the costs of our products.
 - Comply with the terms and conditions of our chosen products.
 - To provide truthful and timely information to our customers.
 - To protect other people's personal and sensitive information.
 - To decide which services or products are beneficial to our customers.
 - To treat all our customers with respect.
- (Any 5 × 2)
- Ethical principles
- To provide value-for-money products.
 - To put the welfare of our customers above the profit margin.
 - To be committed to the spirit of trust, integrity and fair dealings with our customers and competitors.
 - The benefit from the product should be as advertised.
 - Qualified people should be employed.
 - Should be ethically fair and transparent in dealings with third parties.
 - Committed to competing fairly in the marketplace and will not enter into collusive arrangements with competitors or suppliers that will prejudice customers, suppliers, or competitors or interfere with free competition in the market.
- (Any 5 × 2) (10)

- 4.3
- The control sources
 - Normal business activity
 - Accounting books
 - Inventory books
 - Sales figures
 - Absenteeism register
 - Production schedule
 - Corrective measures or actions
- (Any 6 × 2) (12)

- 4.4 4.4.1
- Pricing structure✓ – Availability of discount, method of payment, competitiveness of price with other suppliers ✓
 - Delivery✓ – Do they deliver, costs involved, timely and short notice ✓
 - Reliability✓ – Trustworthiness of the supplier ✓
 - Quality✓ – The best quality raw materials and other services ✓
 - Service✓ – Efficiency of the suppliers, their salespeople and being up to date with their product.✓
- (5 × 2) (10)

4.4.2

Fixed cost × 100
Average weighted gross profit percentage

$$\frac{R18\,000 \checkmark \times 100}{48 \checkmark} \div R37\,500 \checkmark$$

(3)

4.4.3

Fixed cost
Selling price – cost price

$$\frac{R18\,000 \checkmark}{R35 \checkmark - R18 \checkmark}$$

$$\frac{18\,000}{17 \checkmark}$$

1 058,82

1 059 units✓

(5)

4.4.4

Fixed cost + profit projection
Average weighted gross profit percentage

$$\frac{R18\,000 + R5000 \checkmark \times 100}{48}$$

$$\frac{2\,300\,000 \checkmark}{48 \checkmark}$$

R47 916.67✓

(4)

[50]

QUESTION 5

- 5.1
- It creates job opportunities within the community. By nature and definition, an entrepreneur is a job creator as opposed to a job seeker. When you become an entrepreneur, there is one less job seeker in the economy and you provide employment for multiple others job seekers.
 - Contributes towards the national economic growth of the country (GDP).
 - Assists in the development of the country through payment of tax.
 - Improves the living conditions of the community – Creating jobs, developing and adopting innovations that lead to improvement in the quality of life of the employees, customers and other stakeholders in the community.
 - Assists in social development within the community – Community development requires infrastructure for education and training, healthcare and other public services.
 - Provides educational opportunities in some communities.
 - Wealth creation and sharing – By establishing the business entity, they invest their own resources and attract capital from investors, lenders and the public. This mobilises public wealth and allows people to benefit from the success of their business.
 - Exports – Every business needs expansion – Export could be one type of expansion. Expansion will lead to bigger markets, currency inflow, better technologies, and more stable business revenue during economic downturns in the local economy.
- Balanced regional development – Establishing business in less developed and backward areas leads to improvement of infrastructure such as better roads, rail links, airports, stable electricity and water supply, schools, hospitals, shopping malls, and other public and private services that would otherwise not be available. (Any relevant answer may be accepted).
- (Any 3 × 2) (6)

- 5.2
- Physically
- Staying healthy by regular exercising and eating a balanced diet will assist them to focus on the business.
- Mentally
- Studying – continuous reading of magazines and journals and consulting others in the industry will help them stay abreast with recent development within the industry.
- Spiritually
- Believing in something greater than yourself. Have a religion and attending any form or type of spiritual gathering and meetings can be greatly uplifting.
- Socially/emotionally
- Meeting and socialising with other entrepreneurs and learn from their experiences; belonging to a family or group will play a big role in business networking. (4 × 2) (8)

- 5.3
- Business registration certificate
 - Proof of business physical address
 - Cash flow statement of the business
 - List of business assets
 - Letter of contract
 - Bank statement if different bank
 - Profile of owners
 - Collateral pledged
 - Reason for the loan
 - Projected returns from the loan
 - Ability to repay the loan
 - Personal assets of owners
- (Any 5 × 2) (10)

5.4 5.4.1 $\frac{\sqrt{2DS}}{H}$

$$\frac{2(1\,800)(30)}{R3}$$

36 000

189,74 units (If the student uses 190 units, give full mark) (6)

5.4.2 Re-order = dL

Daily demand × lead time

$$\frac{1800(6)}{365}$$

29,59 units (4)

5.4.3 Total cost = $DC + DS + \frac{QH}{2}$

$$(1\,800)(7) + \frac{1\,800(30)}{189.74} + \frac{189.74(3)}{2}$$

$$12600 + 284,60 + 284,60$$

R13 169.20

OR

$$(1\,800)(7) + \frac{1\,800(30)}{190} + \frac{190(3)}{2}$$

$$12600 + 284,21 + 285$$

R 13 169,21 (4)

- 5.5
- It may provide a basis for comparing later physical examinations.
 - It provides assurance that the applicant will be a productive member of the business or organisation.
 - It provides additional information about the applicant that may be useful in the selection process.
 - It will ensure that the applicant is physically and mentally fit to fulfil the requirements of a specific job. (Any 3 × 2) (6)
- 5.6
- Determine objectives.
 - Grant sufficient authority.
 - Select delegates carefully.
 - Establish necessary controls.
 - Be a coach and not a player (facilitator).
 - Keep some important tasks for yourself to perform. (Any 3 × 2) (6)
- [50]**

TOTAL SECTION B: 150
GRAND TOTAL: 200