



**higher education  
& training**

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

# **MARKING GUIDELINE**

**NATIONAL CERTIFICATE**

**NOVEMBER EXAMINATION**

**ENTREPRENEURSHIP AND BUSINESS  
MANAGEMENT N5**

(Second Paper)

**15 NOVEMBER 2016**

**This marking guideline consists of 6 pages.**

CANDIDATES MUST ANSWER ONLY THREE QUESTIONS.

### QUESTION 1

- 1.1 Yes
- Paul took initiative and started his own business, Bogosi catering.
  - He studied to obtain the necessary qualifications.
  - He created jobs for other people.
  - Paul could work independently as his own boss.
  - He built up a regular client basis.
- (5 × 2) (10)
- 1.2 Formal
- It is a registered business.
  - He delivers a professional service.
  - He employs seven staff members.
- (3 × 2) (6)
- 1.3
- Technical skills – ability to use his knowledge of restaurants to provide good service and quality fresh food.
  - Human skills – Ability to work with people, i.e. know how to communicate, motivate, lead and inspire enthusiasm and trust.
  - Conception skills – experience in restaurant industry and business environment will allow him to be successful (problem-solving skills).
- (3 × 3) (9)
- 1.4
- It creates employment opportunities.
  - Contributes to GDP.
- (2 × 2) (4)
- 1.5
- Marketing department
  - Human resources department
  - Sales department
  - Financial department
  - Procurement department
- (5 × 2) (10)
- 1.6 Competitors are those businesses who serve the same needs<sup>√</sup> of the customers that your business is targeting. <sup>√</sup>
- (2)
- 1.7 False <sup>√</sup>
- (1)
- 1.8
- Creating a proper working climate.
  - Watching sports together.
  - Provide them with motivational workshops.
  - Arranging regular social events.
  - Motivate the team to compete competitively in sports against other teams.
- (Any 4 × 2) (8)

**[50]**

**QUESTION 2**

- 2.1
- Recognition of good performance
  - Bonuses
  - Promotion – by expanding the organisational structure.
  - Promote family welfare.
  - Ensure safe and healthy working conditions.
  - Provide employee support programmes.
  - Set targets for workers.
  - Send staff on self-development programmes. (Any 7 × 2) (14)
- 2.2
- Creating employment.
  - Offering bursaries.
  - Donating food parcels to orphanages.
  - Donating food to local schools.
  - Providing funding for business projects.
  - Providing funding for students. (Any 5 × 2) (10)
- 2.3
- Through sale on credit
  - Knowing the preference of your customers
  - Have specials, e.g. buy one get one free.
  - Discount for purchases over certain amount
  - Free gifts, perfume if a specific item is bought.
  - End of season sale (Any 5 × 2) (10)
- 2.4 Advertisement must contain the following:
- Position
  - Place of work
  - Qualification
  - Salary
  - Experience
  - Contact person
  - Tel/Fax no.
  - Closing date
  - Frame
- Allocate marks for layout, content and initiative (Any 8 × 2) (16)  
**[50]**

**QUESTION 3**

- 3.1 Step 1: Effective performance – define what has to be done.  
 Step 2: Measuring the current performance – compare the future performance with what has to be done.  
 Step 3: When faults/deviations are detected, the worker should be properly informed about deviations from the standard set.  
 Step 4: Select remedial action: decision has to be taken on how best to rectify the situation, e.g. by training.  
 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 if problem is solved, that there will be no need for continuation of remedial action.
- (6 × 2) (12)
- 3.2 3.2.1
- Applicants provide the business with their personal information.
  - Ask the candidates to complete application form/send their curriculum vitae.
- (2 × 2) (4)
- 3.2.2 When all applicants have submitted their application form/ curriculum vitae, evaluate them, select the best and put them on short list for interviewing.
- (3 × 2) (6)
- 3.2.3 Tests can be used to test the skills of an applicant who has applied for a specific job. E.g. aptitude tests, trade tests.  
 Test can be done before or after the interview.
- (3 × 2) (6)
- 3.2.4 Process of introducing new employee to the business.
- (2 × 1) (2)
- 3.3
- Legislation
  - What the business can afford.
  - Qualifications
  - Cost of living, e.g. during periods of high inflation, the consequences are serious for employers and employees.
  - Years of experience
- (5 × 2) (10)
- 3.4 3.4.1
- Fund which employer and employee contribute to.
  - In the event of employee being retrenched, she/he can claim from this fund.
- (2 × 2) (4)
- 3.4.2
- Improve process of collective bargaining.
  - Purpose is to advance democracy at workplace.
  - Reference of agreement on how employers and employees should deal with each other.
- (Any 2 × 2) (4)

- 3.4.3
- Make provision for safety of people using equipment and machinery.
  - Offer protection of physical safety of employees and promotion of occupational hygiene.
- (2 × 1) (2)

**[50]****QUESTION 4**

- 4.1 Return on investment =  $\frac{\text{Profit before tax} \times 100}{\text{Total assets}}$  ✓✓  
 $= \frac{112\,500}{2\,730}$  ✓✓  
 $= 41,2\%$  ✓✓ (6)
- 4.2 Yes ✓✓  
 41,2% is much higher than what the bank can offer. ✓✓  
 The business has generated 41% profit. ✓✓  
 The owner is being compensated very well. ✓✓ (8)
- 4.3 Current asset ✓✓  
Current Liability  
 $= \frac{11\,500}{3\,770}$  ✓✓  
 $= 3 : 1$  ✓✓ (6)
- 4.4
- Bank details of buyers
  - Credit references
  - Salaries/Wages
  - Details of employment (4 × 2) (8)
- 4.5 Group dynamics is when a group is formed; individuals will accept different roles within the group. ✓ In a group it is important that individuals are able to work together otherwise arguments and disagreement could occur. (2)
- Tolerance must exist.
  - Establishing proper communication channels.
  - Environment for respect must be created.
  - Resource sharing must be encouraged.
  - Opinion of group members must be listed and considered. (Any 4 × 2) (8)
- 4.6 Economies of scale refer to the drop in the average cost per unit when larger volumes are produced. (3)

- 4.7 Knowledge of the minimum working hours is necessary.  
Provision for sick leave and maternity leave.  
Working on public holidays  
Working on Sundays  
Overtime conditions  
Providing minimum conditions of service for employees.  
Minimum wage and regulation of other conditions of service.

(9)  
[50]

**TOTAL: 150**