



**higher education  
& training**

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

# **MARKING GUIDELINE**

**NATIONAL CERTIFICATE**

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

**13 NOVEMBER 2018**

**This marking guideline consists of 8 pages.**

**SECTION A****QUESTION 1**

- 1.1 1.1.1
- The economy of the country indirectly affects most businesses. If the economy grows, more people are employed. Their income increases, which means more money to spend. This, in turn, leads to the growth of the business.
  - If the interest rate increases, the cost of borrowing money for the business is high, hence affecting the net profit.
  - A higher inflation affects the buying power of Mary's customers.
  - If the economy of the area is growing, more jobs are created, people are employed and households earn more money.
- (Any TWO relevant positive or negative answers) (2 × 2) (4)
- 1.1.2
- Technological development improves the response of business to customers' needs.
  - Substitute products, new methods, techniques, improved raw materials are the result.
  - The use of new technology might be too costly.
  - Staff will need to be trained.
  - Work will be done more professionally.
  - Work will be done faster.
  - Communication and transactions could be easier.
- (Any relevant 2 × 2) (4)
- 1.1.3
- Any positive or negative international development could have an impact on the business
  - For example, the price of oil, war or an influx of tourists to the country
- (Any relevant answer) (TWO marks for explanation and TWO marks for an example) (4)
- 1.1.4
- Cultural practices and beliefs may affect the business positively or negatively – religious attachment
  - Cultural values and characteristics set boundaries for publicly acceptable business conduct. You must familiarise yourself with the culture of your potential customers in order to grow your business.
  - A common language, religion, level of economic development and set of values may help.
- (Any relevant 2 × 2) (4)

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- 1.1.5
- Importance of supplier will affect the business positively
  - Ability of supplier to deliver quality raw materials
  - Pricing of product and availability of materials
  - Timely supply
- (Any other relevant 2 × 2) (4)
- 1.2 Proactivity✓
- Mary should always be positive about herself and her ability.✓✓
  - She needs to be creative and show initiative.
  - Risk doing new things, such as studying and even expansion
  - Act positively
- Begin with an end in mind✓
- Develop a personal mission statement.✓✓
  - Set a goal and have workable objectives.
- Determine your priorities✓
- Important and urgent things should be attended to first. Put first things first.✓✓
- Consider other viewpoints✓
- Accept differences in the workplace✓✓
  - Be open to working with people
  - Be able to relate to and communicate with people
- Synthesis✓
- Teamwork✓✓
  - Interaction with other people, which will encourage a win-win approach. (experts, supervisors, employees)
- Win-win situation✓
- Work towards mutual understanding.✓✓
  - Reach out to the community
  - Have a good and mutual working attitude
  - Create jobs
- Personal motivation✓
- Remain committed and focused in her mission✓✓
  - Take good care of yourself (physically, mentally, spiritually, socially and emotionally).
- (Any 7 × 3) (21)
- 1.3
- Timeliness
  - Effective organisational structure
  - Strategic control points
  - Cost-effective action
  - Revelation of trends
- (Any 4 × 2) (8)
- 1.4 South African Revenue Services (1)

**[50]**

**QUESTION 2**

- 2.1 2.1.1
- Opportunities for employees to achieve and be promoted.
  - Recognition for their efforts and responsibilities
  - Factors such as salaries, statuses, working conditions and promotion possibilities (Any 2 × 2) (4)
- 2.1.2
- Individual needs satisfaction
  - Satisfying physiological and security needs, such as food and water, air, shelter and protection. (2 × 2) (4)
- 2.1.3
- A participative and consultative management style
  - Employee participation in setting performance standards, giving feedback and recognising that people are different. (2 × 2) (4)
- 2.2 Responsibilities
- Assign tasks with clear guidelines to the person who will be performing the task.
- Authorisation
- Sufficient authorisation must be given to act on behalf of the delegator.
- Accountability
- Once a job is assigned and accepted, the delegate will be held accountable if the job is not completed successfully.  
(ONE mark for naming, TWO marks for explanations) (10)
- 2.3
- It creates jobs
  - It pays tax
  - It provides skills to people in the community
  - It improves the lives of people by contributing to social services (4)
- 2.4 2.4.1
- It explains the basic conditions of employees in detail.
  - For example, working conditions include hours worked, working on Sundays and holidays, salaries, benefits and entitlements.
- 2.4.2
- It provides reference for agreement on how employers and employees should deal with one another.
  - It improves the process of collective bargaining.
  - It builds a relationship between employers and employees.  
(Any 2 × 2)

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- 2.4.3
- It provides an income for those who lost their jobs through retrenchment.
  - It ensures that employees contribute to the fund.
  - The fund only pays out to unemployed employees who contributed to the fund. (Any 2 × 2)
- 2.4.4
- It concerns the health and safety of workers at the workplace.
  - It concerns the safety of people using equipment and machinery at work.
  - It protects people against threats to their safety. (Any 2 × 2)
- 2.4.5
- It provides for workers or their dependents for loss of income as a result of disability or death caused by an accident in the workplace (while on duty). (5 × 4) (20)
- 2.5
- Record keeping
  - Tied-up capital
  - Bad debts
  - Interest lost
  - Follow-up cost (Any 4 × 1) (4)
- [50]**

**QUESTION 3**

- 3.1
- Support programme to combat violence, drugs and alcohol abuse.
  - Support sporting activities and provide recreational facilities.
  - Establish an educational scheme for the poor and disadvantaged children.
  - Offer free training and mentorship to the youth in the community.
  - Organise a soccer tournament.
  - Donate cash to a community project (Any 5 × 2) (10)

3.2 Induction programme (14)

An induction for newly appointed staff✓

Date: 25/8/2017✓ (Any current date)

Venue: Bafokeng staff room (any venue)✓

Agenda

- |    |  |                   |
|----|--|-------------------|
| 1. | Welcoming newly appointed staff              | 08:30 – 08:45     |
| 2. | Introducing the training team and management | 09:45 - 10:00     |
| 3. | Setting ground rules and expectations        | 10:00 - 10:15     |
| 4. | First session – any policy                   | 10:15 - 11:15✓✓   |
| 5. | Tea break                                    | 11:15 – 11:30     |
| 6. | Second session – any policy                  | 11:30 - 12:30✓✓   |
| 7. | Lunch  | 12:30 - 13:30     |
| 8. | Role play, question time and clarity         | 13:30 - 14:15✓✓   |
| 9. | Feedback                                     | 14:15 - 14:30✓✓   |
| 10 | Any outdoor games – soccer, tennis           | 14:30 - 16:30✓✓✓✓ |

(Students must use their discretion when determining the items on the programme. Heading: ONE mark, date: ONE mark, venue: ONE mark, FOUR marks for policy, ONE mark for outdoor game and SEVEN marks for any related items or activities on the programme.)

3.3

FIXED ORDER QUANTITY	FIXED TIME PERIOD
<ul style="list-style-type: none"> <li>• Event triggered</li> <li>• Demand for the product is constant</li> <li>• Lead time is constant</li> <li>• Price per unit stays the same</li> <li>• Inventory-holding costs are based on average inventory</li> </ul> <p style="text-align: right;">(Any 3 × 2)</p>	<ul style="list-style-type: none"> <li>• Time triggered</li> <li>• Predetermined period</li> <li>• Larger amount of inventory</li> </ul> <p style="text-align: right;">(3 × 2)</p>

(12)

- 3.4 Students' responses should be based on an ethical decision.
- Is it legal to fire an employee who has been absent from work, regardless of their sexual orientation? Justify your answer. ✓✓✓✓✓✓✓✓
  - Is it fair? Give a reason for your answer, taking into account the effect of their actions on other employees. ✓✓✓✓ ✓✓✓✓
- (14)  
**[50]**

**QUESTION 4**

4.1 Return on investment

$$\frac{\text{Net Profit} \times 100}{\text{Average owner's equity}} \checkmark$$

$$\frac{14\,890 \checkmark \times 100 \checkmark}{133\,000 \checkmark}$$

$$11,20\% \checkmark$$

(5)

4.2 Current ratio

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

$$\frac{40\,500 \checkmark}{7\,500 \checkmark}$$

$$5,4:1 \checkmark$$

(5)

4.3 **Acid test**

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

$$\frac{40\,500 - 11\,000 \checkmark}{7\,500}$$

$$\frac{33\,000}{7\,500}$$

$$4,4:1 \checkmark$$

**Average debtors collection periods**

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

$$\frac{25\,000 \times 365}{80\% \times 150\,000 \checkmark}$$

$$\frac{9\,125\,000 \checkmark}{120\,000 \checkmark}$$

$$76,04 \text{ days} \checkmark$$

(9)

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- 4.4 Base your answer on any of the two below. (Yes or No) ✓
- Return on investment is 11,20% ✓✓
  - Current ratio is 5,4:1 ✓✓
  - Acid ratio is 4,4:1
  - Average debtors collection period is 76,04 days (5)
- 4.5 4.5.1  $\frac{\text{Fixed cost}}{\text{Unit sale}}$  ✓
- $\frac{18\ 000}{20}$  ✓
- 900 units (Give a full mark if the formula and the answer are correct) (6)
- 4.5.2  $\frac{\text{Fixed cost} \times 100\%}{\text{Average weighted gross profit percentage}}$
- $\frac{18\ 000 \times 100}{45\%}$  ✓
- R40 000 (Give a full mark if the formula and the answer are correct) (6)
- 4.5.3  $\frac{\text{Fixed cost} + \text{Profit} \times 100\%}{\text{Average weighted gross profit percentage}}$
- $\frac{18\ 000 + 50\ 000 \times 100\%}{45\%}$  ✓
- $\frac{68\ 000 \times 100}{45\%}$
- $\frac{6\ 800\ 000}{45\%}$  ✓✓
- R151 111,11 (Maximum of 6 marks if the formula and the answer are correct) (9)
- 4.6  $\frac{1\ 250 \times 100\%}{14\ 890}$
- 8,39% (3)
- 4.7 R6 937 (2)
- [50]**

**TOTAL SECTION B: 150**  
**GRAND TOTAL: 200**