



**higher education  
& training**

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

# **MARKING GUIDELINE**

**NATIONAL CERTIFICATE**

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

**6 October 2020**

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

**SECTION B****QUESTION 2**

- 2.1      2.1.1      • Management✓  
Better management styles, specific skills and better working relationship with trade unions and employees will improve productivity✓✓  
E.g. investing in employees using rewards and promotions.✓
- 2.1.2      • Raw materials✓  
Quality raw materials and availability will always improve the processing of the final product and increase productivity✓✓  
E.g. Quality wood or timber used will produce quality furniture✓
- 2.1.3      • Employees✓  
Productivity will be high if the employees are  
– well trained✓✓  
– motivated  
E.g. avoidance of labour disputes✓
- 2.1.4      • Market conditions✓  
– The level of competition may lead a business within the same industry to seek better ways of doing business in new innovative ways✓✓  
– Secondly, government interventions may also assist in higher productivity, e.g. local textile industry.✓
- 2.1.5      • Operations✓  
To increase productivity, businesses should constantly investigate new methods of operation✓✓  
– E.g. design proper set-up time of equipment✓  
– Do proper maintenance  
– Use of technology and equipment  
(5 × 4)      (20)
- 2.2      • The products or services offered should be of high quality.  
• The business should have a strong code of morality.  
• The business should be fair to all stakeholders – in the short and long term.  
• The product and benefits thereof should be as advertised.  
• The price should reflect the quality of the product.  
• Qualified people should be employed.  
• The business should comply with legislation.  
• The business should comply with industry regulations.  
(3 × 2)      (6)

2.3 Group dynamics is when a group is formed in which individuals will accept different roles. It is important for individuals to work together in the group, or else arguments and disagreements could occur.✓✓

The positive impact:

- Tolerance will exist✓✓
- Sharing of resources will be encouraged✓✓
- An environment for respect will be created✓✓
- Proper communication channels will be established✓✓

(5 ×

2)

(10)

2.4 • To possess technical skills is to be an expert in your field. The person can do the job by himself or herself.

• The following technical skills are required in the clothing industry:

- Knowledge of various fabrics and materials
- Chemicals and production channels
- Operating power
- Dyeing power

(Any 2 ×

1)

(2)

2.5 Position power is power acquired through legitimate processes.✓✓  
Coercive and reward power✓

Subordinate power is power acquired through a collective process. This is based on the ability of the subordinates to organise themselves collectively and offer their labour.✓✓

For example, trade unions ✓

(2 marks for explanation or definition and 1 mark for example)

(6)

2.6 • Habits are consistent and often unconscious patterns of behaviour that express individuals' characters and determine their effectiveness.

• Management should create an awareness programme among the staff involved so that they gain full knowledge about what they do and why they are doing this.

• Management should assist them to stop this habit.

• Management should assist them financially to overcome the problem.

• If possible, management should provide counselling from outside the school.

• Staff should be supported and motivated to change their habits.

• A support group could be created.

(Any 3 ×

2)

(6)

[50]

**QUESTION 3****3.1 Five-day Development and Training programme✓****Date:** (any date)✓**Venue:** Board room✓ (any venue)**Day one**

- Registration of participants
- Introduction of guests by Me Tshaka (Human Resource Department)
- Decision-making skills by Dr Moleme (Department of Education)✓

**Day two**

- Knowledge of the business world by Me Molefe (Chairperson: South Africa Business World)✓
- Government policies✓

**Day three**

- Contract of employment✓
- Labour relation laws by Mr Brown (Department of Labour)

**Day four**

- Interpersonal skills ✓
- Financial record keeping by Me Ntako (Business South Africa)✓

**Day five**

- Specific individual needs✓
- General knowledge
- Environmental issues

(Any related development and training needs with responsible person) (10)

- 3.2 Step 1: Initial interview – telephone or personal enquiry by applicants/application✓
- Step 2: Application form – obtaining personal information about the applicant✓
- Step 3: The interview – direct contact with the applicant and directions to the college✓
- Step 4: Tests – testing skills, for example compiling interns' attendance records✓
- Step 5: Approval – by an expert in the field of work✓
- Step 6: Physical examination – physical check-up, for example, hand-eye co-ordination test ✓
- Step 7: Induction – Introduction to the staff and the organisation, explaining the job description✓

(7)

- 3.3 3.3.1  $R25\ 000 \times 12\ \text{months} = R300\ 000$ ✓  
 $296\ 541 - 300\ 000 = R61\ 910 + 31\% \text{ of } 3459$ ✓  
 $= R61\ 910 + 1072,29$ ✓  
 $= R62\ 982,29$ ✓  
 Less: Primary rebate (13 500) ✓  
 Tax payable = R49 482,29✓ (6)
- 3.3.2  $296\ 541 - 365\ 000 = R61\ 910 + 31\% \text{ of } 68\ 459$ ✓  
 $= R61\ 910 + 21\ 222,29$ ✓  
 $= R83\ 132,29$ ✓  
 Less : Primary rebate (13 500)✓  
 Additional rebate (7 047)✓  
 Tax payable = R62 225,29✓ (6)
- 3.3.3  $188\ 001 - 195\ 000 = R34\ 178 + 26\% \text{ of } 7\ 000$ ✓  
 $= R34\ 178 + 1\ 820$ ✓  
 $= R35\ 998$ ✓  
 Less: Primary rebate (13 500)✓  
 Additional rebate (7 047)✓  
 Tertiary rebate (6 050)✓  
 Tax payable = R9 041✓ (7)
- 3.4 3.4.1 The essence of any credit policy is to gain competitive advantage in the market, and customers' loyalty through dependency. (2)
- 3.4.2
- Credit period✓ (reasonable timeframe)✓
  - Credit standard✓ (reliable, size of the account, financial ability and credit standard)✓
  - Collection policy✓ (information and collection method)✓
  - Discount✓ (reasonable incentive)✓ (4 × 2) (8)
- 3.4.3
- Land and buildings
  - Vehicles
  - Furniture (tables and chairs)
  - Equipment (stoves, cabinets) (2 × (4)

2)

[50]

**QUESTION 4**

4.1 4.1.1

	<b>BODY CREAM</b>	<b>HAND CREAM</b>
Selling price	R60,00	R35,00
Cost price	R35,00	R20,00
Gross profit	✓R25,00	✓R15,00
Gross profit percentage	Body cream	Hand cream
	$25/60 \times 100 \checkmark = 41,67\% \checkmark$	$15/60 \times 100 \checkmark = 25\% \checkmark$

(6)

4.1.2

<b>Product</b>	<b>Sales percentage</b>	<b>Gross profit percentage</b>	<b>Weighted average gross profit percentage (WAGP)</b>
Body cream	✓70%	✓41,67	✓29,17
Hand cream	✓30%	✓25%	✓7,50
			✓✓ <b>36,67%</b>

(8)

4.1.3  $\frac{\text{Fixed cost} \times 100 \checkmark}{\text{WAGP}}$

$$\frac{15\,000 \checkmark \times 100}{36,67 \checkmark}$$

**R40 905,37 ✓✓**

(5)

4.1.4  $\frac{\text{Fixed cost} + \text{profit} \times 100 \checkmark}{\text{WAGP}}$

$$\frac{15\,000 \checkmark + 5\,000 \checkmark \times 100}{36,67 \checkmark}$$

$$\frac{20\,000 \times 10}{36,67}$$

**R54 540,50 ✓✓**

(7)

- 4.2 4.2.1
- It provides guidelines on how employers and employees should deal with each other in the workplace.
  - Its purpose is to advance democracy in the workplace.
  - It improves the process of effective bargaining.
  - It builds relationship between employers and employees.
- (Any 3 × 1)
- 4.2.2
- The Act will help the management of POBI to determine the minimum working conditions of each employee.✓ This includes working hours, annual leave, maternity leave,✓ minimum wage and regulations regarding sick leave.✓
- 4.2.3
- It provides for workers or their dependants to be compensated for loss of income as a result of disability or death caused by accident during work.✓✓
  - It is a kind of insurance for workers.✓
- 4.2.4
- Ensures that employees contribute to the fund.
  - Ensures that employers contribute to the fund.
  - When an employee becomes unemployed, he/she receives some compensation from the fund.
  - Funds are only made available to unemployed employees who have contributed to the fund.
- (Any 3 × 1)  
(4 × 3) (12)
- 4.3
- Assist young learners with their class work.
  - Donate old books to the community.
  - Organise business expositions.
  - Assist upcoming young entrepreneurs with business plans or ideas.
  - Assist existing businesses within the community with business information and skills.
  - Assist businesses in networking.
  - Assist local businesses with financial skills – e.g. bookkeeping.
  - Organise workshops.
  - Create awareness on the importance of education.
- (Any 6 × 2) (12)

**[50]****QUESTION 5**

- 5.1 The following should be included:
- What the business is about
- What products or services it offers✓✓
- What the business aims to do or achieve ✓✓
- Who the products are aimed at✓✓
- How it does its work – (what methods are used) ✓✓
- (8)

Only as an example: Noah's mission statement is to empower communities with knowledge, skills, strategies, and self-confidence to care for their orphans and vulnerable children by building arks.  
(4 × 2)

- 5.2
- Emphasise the positive aspects of the award.
  - Feedback should focus on the criteria used.
  - Give feedback immediately.
  - Acknowledge the positive values of those who did not receive any awards.
  - Determine specific actions that will assist other employees.
  - Acknowledge all employees' contributions.
  - Acknowledge employees' contributions to the development of the organisation.
- (Any 5 × 2) (10)
- 5.3 Advantages
- Development of expertise
  - Increased productivity
  - Improved quality
- Disadvantages
- Boredom
  - Monotonous routine
  - Difficult to replace worker
- (6)
- 5.4 Pricing ✓✓
- Ensure that suppliers' prices are competitive
  - Cut down on overhead cost
  - Gain economies of scale
- Better customer services and warranties ✓✓
- Advertising and promotions should meet customers' needs ✓✓
  - Improvements on products and services
  - Product differentiation
  - Substitutes for goods and services
- (6)
- 5.5 Sales in units: 1 500 ✓
- Selling price per unit: R350 ✓
- Total sales:  $1\ 500 \times 350 = \mathbf{R525\ 000}$  ✓✓ (4)
- 5.6 5.6.1 Name
- New Catering Service. ✓✓
  - Future Catering Services
  - All-in-one Catering Service
- (Any suggestion) (4)



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- Easy to identify ✓✓
- Easy to say
- Easy to remember
- Relevant to the business (relevant motivation)  
(2 marks for any name and 2 marks for reason) (Any 2 × 2)

5.6.2	<ul style="list-style-type: none"><li>• Proactive – she took initiative of going back to school</li><li>• Determining her priorities – putting first thing first – education</li><li>• Begin with an end in mind – she developed a positive mission statement</li><li>• Personal motivation – she regards herself as an asset</li></ul>	(Any 3 × 2)	(6)
5.6.3	<ul style="list-style-type: none"><li>• Pricing structure – discounts, methods of payment and competitiveness</li><li>• Delivery – timely and at short notice</li><li>• Quality – high quality</li><li>• Service-efficacy of the supplier</li></ul>	(Any 3 × 2)	(6)
			<b>[50]</b>
		<b>TOTAL SECTION B:</b>	<b>150</b>
		<b>GRAND TOTAL:</b>	<b>200</b>