



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE

ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N5 (Second paper)

(4090315)

6 October 2020 (X-paper)
09:30–12:00

OPEN-BOOK EXAMINATION

Students are allowed to take FIVE reference and resource materials and a calculator into the examination venue. Previous question papers and memoranda are not allowed.

This question paper consists of 7 pages and an answer sheet of 2 pages.

177Q2B2006

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA
NATIONAL CERTIFICATE
ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N5
(Second paper)
TIME: 2½ HOURS
MARKS: 150

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. Start each section on a new page.
 5. Use only a black or blue pen.
 6. Answer QUESTION 4.1 on the ANSWER SHEET.
 7. Marks will not be allocated for copying directly from the textbooks.
 8. Write neatly and legibly.
-

SECTION B**QUESTION 2**

Read the scenario below and answer the questions.

Masopha Willie has just opened a new footwear and clothing business, Footer, in Century City next to the community centre in Welkom, Free State. In the past there were two similar businesses in the area managed by the local municipality.


- 2.1 Explain how Masopha can use the following factors in his business environment to improve productivity at Footer. Provide an example for each explanation.
- | | | | | |
|-------|-------------------|---|---------|------|
| 2.1.1 | Management |  | | |
| 2.1.2 | Raw materials | | | |
| 2.1.3 | Employees | | | |
| 2.1.4 | Market conditions | | | |
| 2.1.5 | Operations | | (5 × 4) | (20) |
- 2.2 Explain to Masopha what ethical practice means. Base your response on the footwear and clothing business. (3 × 2) (6)
- 2.3 Define the term, *group dynamics*, and state how it would impact on the employees of Footer who work in a stressful environment.  (5 × 2) (10)
- 2.4 As manager, Masopha needs basic technical skills to run his footwear business.
- Explain the concept, technical skills, and provide an example of technical skills that Masopha would need to effectively manage Footer. (2)
- 2.5 Power is necessary to influence people to complete tasks, but power, if not contained, can be dangerous and can become destructive.
- Explain the difference between *position power* and *subordinate power* and provide an example of each. (3 × 2) (6)
- 2.6 The management of Central East High School in North West reported in their monthly feedback to the community that a number of employees at the school have developed a habit of not coming to work on Mondays and the day after pay day.
- 
- What THREE methods will you advise management to adopt to assist in changing these employees' habits? (3 × 2) (6)

[50]

QUESTION 3

Study the scenario below and answer the questions.

Baby Bush is the proud owner of Baby Bush College on the Kwa-Zulu Natal South Coast. The management of Baby Bush College has signed a memorandum of understanding with business management interns and the SETA for students to undergo 18 months of practical experience at the college. This agreement will allow SETA to place students for internship at Baby Bush College for a period of 18 months. Some of the Baby Bush staff have been working for more than 15 years.

3.1 Develop and compile a five-day development and training programme consisting of FIVE concepts or items for the interns who will be placed at Baby Bush College. Also include the names of the presenters of each item and the institutions that they represent in the programme.  (10)

3.2 Baby Bush College must employ a placement co-ordinator who will be responsible for the entire programme.

Explain how you will go about recruiting the right person for the job. (7)

Study the scenario below and answer the questions.



The management of Baby Bush College has just been reminded by the South African Revenue Services (SARS) that it is their responsibility to calculate, deduct and transfer all employees' taxes to the South African Revenue Services on a monthly basis. It is also their duty to provide individual employees with IRP5s at the end of each financial year. The following staff worked at Baby Bush College: Jerry Brown, 27 years old – accounting manager who earned a monthly salary of R25 000. Monki Mereka, 65 years old, who earned R365 000 per annum, and Lesupi Michael, a general worker, 75 years old, who earned R195 650 per annum. Use the tax table and information below to calculate the amount due to South African Revenue Services (SARS).

SOUTH AFRICAN REVENUE SERVICE (SARS) 2017/2018 

Rates applicable to individuals.	
Taxable Income (R)	Rates of tax (R)
0–R189 880	18% of each R1
188 001–296 540	34 178 + 26% of taxable income above 189 880
296 541–410 460	61 910 + 31% of taxable income above 296 540
410 461–555 600	97 225 + 36% of taxable income above 410 460
555 601–708 310	149 475 + 39% of taxable income above 555 600
708 311–1 500 000	209 032 + 41 % of taxable income above 708 310
1 500 001 and above	533 625 + 45% of taxable income above 1 500 000


The rebates applicable to individuals are:

Primary rebate	R13 500
Additional rebate (for persons 65 years and older)	R7 407
Tertiary rebate (for persons 75 years or older)	R6 050



- 3.3 Use the information provided above to calculate the following:
- 3.3.1 The tax payable by Jerry Brown  (6)
- 3.3.2 The tax payable by Monki Mereka (6)
- 3.3.3 The tax payable by Lesupi Michael (7)
- 3.4 It is common practice in the business world to sell products on credit to customers.
- 3.4.1 What is the essence of a credit policy for any business? (2)
- 3.4.2 Design a credit policy for Pay & Pick trading stores.  (4 × 2) (8)
- 3.4.3 Name any TWO fixed assets of Pay & Pick trading stores (dealing in building materials). (2 × 2) (4)
- [50]**

QUESTION 4


Study the scenario below and answer the questions.


The management of POBI Caterers decides to go into the business of buying and selling body and hand cream. The cost price for body cream and hand cream is R35,00 and R20,00 respectively. The selling price of the same products is R60,00 and R35,00 respectively. Body cream contributes to 70% and hand cream to 30% of the total sales. The fixed cost is R15 000. 


- 4.1 Use the attached answer sheet to calculate the following:
- 4.1.1 Gross profit percentage of each product (6)
- 4.1.2 Weighted average gross profit percentage (8)
- 4.1.3 Break-even point in rand (5)
- 4.1.4 Break-even point if the business aims for a profit goal of R5 000 (7)

- 4.2 Advise the owners of POBI Caterers on the importance of the following legislations:
- 4.2.1 Labour Relations Act 
- 4.2.2 Basic Conditions of Employment Act
- 4.2.3 Compensation for Occupational Safety and Injury Act
- 4.2.4 Unemployment Insurance Fund Act (4 × 3) (12)
- 4.3 The students of entrepreneurship and business management at Barfelo TVET College want to make a difference in their community by contributing towards the social development within their community.
- Explain SIX ways in which they can achieve these objectives.  (6 × 2) (12) **[50]**

QUESTION 5

- 5.1 At College you were informed of the importance of preparing and having a mission statement for a business. Use the information for POBI Caterers (QUESTION 4.1) to propose a mission statement for POBI Caterers. (4 × 2) (8)
- 5.2 Study the scenario below and answer the questions.
- One of the policies of ADG Company is to reward their employees yearly on their achievement and dedication. Some employees are rewarded with certificates, cash and trophies. The management of ADG Company wants to give feedback to its employees at the annual event in this regard.
- The management approached you to assist in drafting the guidelines in this regard. Draft any FIVE basic and acceptable guidelines for giving feedback about the rewards to the employees. (5 × 2) (10)
- 5.3 Study the scenario below and answer the questions. 
- John Mark is a trained mechanical technician and he is also a qualified computer expert. His major area of specialisation is computer programming and repairs.
- State THREE advantages and THREE disadvantages of his expert knowledge. (3 + 3) (6)
- 5.4 Competition should not always be viewed in a negative way only.
- How would you advise young entrepreneurs to be more competitive in their business? (3 × 2) (6)

- 5.5 A sales budget serves as basis for the complete budget of any business. Peter Brown wants to know what his sales budget will be if his expected sales is 1 500 units at a selling price of R350,00 per unit.  (4)
- 5.6

Lerato has lived in White, a small village close to Welkom Casino, all her life. She ran into good fortune by winning millions of rand in a jackpot and her life has changed forever. Her first step was to enrol at an educational institution to study hospitality. She now wants to invest her winnings into a catering business.
--
- 5.6.1 Suggest a name for Lerato's business and give a reason for your answer. (2 × 2) (4)
- 5.6.2 Lerato is a self-motivated person. Name THREE positive elements of her character. (3 × 2) (6)
- 5.6.3 How would you go about in choosing the best suppliers for your business? Give an example of each criterion that you would use.  (3 × 2) (6)
- TOTAL SECTION B: 150**
GRAND TOTAL: 200
- [50]**

ANSWER SHEET EXAMINATION NUMBER:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

QUESTION 4.1

4.1 4.1.1 GROSS PROFIT PERCENTAGE OF EACH PRODUCT

	BODY CREAM	HAND CREAM
GROSS PREOFIT %		

(6)

4.1.2 WEIGHTED GROSS PROFIT PERCENTAGE

PRODUCT	% OF SALES	GROSS PROFIT %	AVERAGE WEIGHTED GROSS PROFIT PERCENTAGE

(8)

ANSWER SHEET EXAMINATION NUMBER:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

4.1.3 BREAK-EVEN POINT IN RAND

(5)

4.1.4 BREAK-EVEN POINT WITH A PROFIT GOAL OF R5 000

(7)