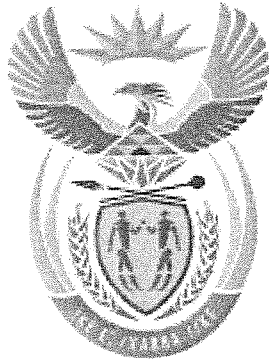# higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

N430(E)(N11)H
NOVEMBER EXAMINATION

NATIONAL CERTIFICATE

ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N5
(First Paper)

(4090315)

11 November 2013 (X-Paper)
09:00–09:30

CLOSED-BOOK EXAMINATION

This question paper consists of 5 pages and 2 answer sheets.

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA
NATIONAL CERTIFICATE
ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N5
(First Paper)
TIME: 30 MINUTES
MARKS: 50

INSTRUCTIONS AND INFORMATION

1.   Answer ALL the questions.

2.   Read ALL the questions carefully.

3.   Number the answers according to the numbering system used in this question paper.

4.   SECTION A is compulsory and must be answered by ALL the candidates.

5.   Write the EXAMINATION NUMBER at the TOP of ALL the ANSWER SHEETS.

6.   Write neatly and legibly.

INSTRUCTIONS AND INFORMATION TO INVIGILATORS

READ THE FOLLOWING INSTRUCTIONS CAREFULLY:

1.   Ensure that ALL the candidates understand the instructions and explain where necessary.

2.   SECTION A (FIRST PAPER) must be answered on the attached ANSWER SHEET.

3.   At the end of the examination session the ANSWER SHEETS must be handed in. Make sure that the EXAMINATION NUMBER is correct.

4.   The candidates are now allowed to collect FIVE sources that will be used during the examination session for SECTION B (SECOND PAPER). These sources may include a dictionary, a calculator, textbooks, as well as a student file. (NO electronic dictionaries are allowed.)

YOU SHOULD NOT TURN THE PAGE BEFORE THE INVIGILATOR INSTRUCTS YOU TO DO SO.

SECTION A: (COMPULSORY)

QUESTION 1

Answer the following questions on the attached ANSWER SHEET.

Indicate whether the following statements are 'TRUE' of 'FALSE'. Write only 'true' of 'false' next to the question number (1.1–1.5) on the attached ANSWER SHEET.

1.1   'Organising' refers to doing the right things and influencing others to perform at their best.

1.2   Government is one of the biggest customers in our country.

1.3   Being proactive means to decide what you want to achieve.

1.4   Team building aims to improve the team's ability to work together.

1.5   The economy of the country directly affects businesses.

                                                                    (5 × 2)   [10]

QUESTION 2

Choose a word/item from COLUMN B that matches a description in COLUMN A. Write only the letter (A–J) next to the question number (2.1–2.10) on the attached ANSWER SHEET.

	COLUMN A		COLUMN B
2.1	Physical resources	A	human skills
2.2	Your ability to work with others	B	reactive
2.3	Comparing actual results with your business plan and correcting errors	C	building, assets, stock
		D	application form
2.4	Goods which are held in stock	E	workplace forum
2.5	All new employees must undergo a formal orientation programme to help them fit into the working environment	F	inventory
		G	induction
2.6	This is the process of change in a business which results in the business activities being conducted in a new way	H	transformation
		I	control
2.7	Determine the degree to which an employee carries out his or her work effectively	J	Labour Relations Act
2.8	Committees of employees elected by employees in the workplace		
2.9	Legislation to be considered when an entrepreneur starts his/her business		
2.10	Obtain personal information about the applicant		

(10 × 2)   [20]

QUESTION 3

3.1   A business has social responsibility towards FOUR groups.

        Name the FOUR groups.   (4 x 2)   (8)

3.2   Explain the following terms:

        3.2.1   Ethics

        3.2.2   Job description

        3.2.3   Authority

        3.2.4   Remuneration

        3.2.5   Budget

        3.2.6   Synergy

                                                                 (6 x 2)   (12)
                                                                              [20]

                                                        TOTAL SECTION A: 50

ANSWER SHEET

EXAMINATION NUMBER:

QUESTION 1

1.1 _____

1.2 _____

1.3 _____

1.4 _____

1.5 _____

(5 × 2)   [10]

QUESTION 2

2.1 _____

2.2 _____

2.3 _____

2.4 _____

2.5 _____

2.6 _____

2.7 _____

2.8 _____

2.9 _____

2.10 _____

(10 × 2)   [20]

ANSWER SHEET

EXAMINATION NUMBER:

QUESTION 3

3.1   3.3.1   _____

         3.3.2   _____

         3.3.3   _____

         3.3.4   _____

                                           (4 × 2)   (8)

3.2   3.2.1   _____
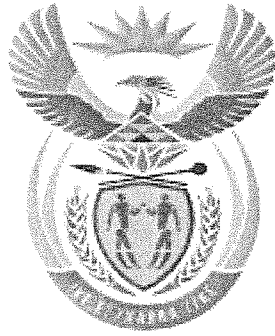
         3.2.2   _____

         3.2.3   _____

         3.2.4   _____

         3.2.5   _____

         3.2.6   _____

                                           (6 × 2)   (12)
                                                          [20]

                           TOTAL SECTION A: **50**

MARKING GUIDELINE

NATIONAL CERTIFICATE

NOVEMBER EXAMINATION

ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N5

11 NOVEMBER 2013

This marking guideline consists of 3 pages.

QUESTION 1

1.1 False√√

1.2 True√√

1.3 False√√

1.4 True√√

1.5 True√√

(5 × 2) **[10]**

QUESTION 2

2.1 C√√

2.2 A√√

2.3 I√√

2.4 F√√

2.5 G√√

2.6 H√√

2.7 K√√

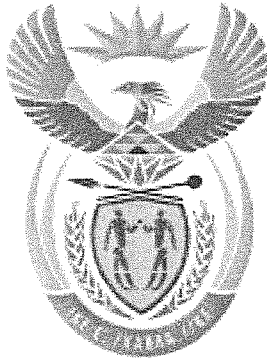2.8 E√√

2.9 J√√

2.10 D√√

(10 × 2) **[20]**

QUESTION 3

3.1 3.1.1 Customers√√

3.1.2 Suppliers√√

3.1.3 Employees√√

3.1.4 Environment√√

(4 × 2) (8)

3.2   3.2.1   Ethics refer to moral principles or a set of values held by an individual or group.√√

        3.2.2   A job description spells out what the workers do, how he/she does it and under what circumstances the tasks should be carried out.√√

        3.2.3   Authority is the formal power that has been assigned to an individual in a senior position.√√

        3.2.4   Remuneration is the compensation that an employee receives for his/her labour.√√

        3.2.5   Budget is the formulation of detailed financial plans.√√

        3.2.6   Synergy is a way of working together as a team to attain the best results.√√

                (6 × 2)   (12)
                                  [20]

                        TOTAL: **50**

higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

N440(E)(N11)H
NOVEMBER EXAMINATION

NATIONAL CERTIFICATE

ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N5
(Second Paper)

(4090315)

11 November 2013 (X-Paper)
09:30–12:00

CLOSED-BOOK EXAMINATION

This question paper consists of 6 pages.

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA
NATIONAL CERTIFICATE
ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N5
(Second Paper)
TIME: 2 ½ HOURS
MARKS: 200

INSTRUCTIONS AND INFORMATION

1. Answer ALL the questions.

2. Read ALL the questions carefully.

3. Number the answers according to the numbering system used in this question paper.

4. Marks will NOT be allocated for copying directly from textbooks.

5. Neatness and systematic presentation of facts are required.

6. Write neatly and legibly.

QUESTION 1

Read the case study below and answer the questions that follow.

> Imagine being born without legs! Having no ability to dance, walk, run or even stand on two feet. What would you do? How would that affect your every day life? Octovia Matthews was born without legs. As she grew up, she learnt to deal with her disability and embraced her situation by doing   more things on her own. She opened a company, Octoequip, which manufactures and sells wheelchairs and other supporting devices for the disabled. She started her business with only 2 employees, and they operated from her garage. Today Octoequip is a well established and a highly regarded business that builds more than 2 000 wheelchairs a year. Now the company has 30 employees who help to improve the lives of many disabled people in the country.

1.1   Octovia wants to make a contribution to community as part of social responsibility.

State FOUR ways in which Octovia could achieve this objective.   (4 × 2)   (8)

1.2   Octovia must find someone to manage the company in her absence.

State THREE rules that Octovia must consider when delegating a task to one of her senior workers.   (3 × 2)   (6)

1.3   Explain FOUR ways in which Octovia can improve her personal motivation as a businessperson.   (4 × 2)   (8)

1.4   Explain FIVE ways in which international environment would impact on Octovia's business.   (5 × 2)   (10)

1.5   Octoequip needs to employ a financial manager.

Explain the procedure Octovia would have to follow to ensure that she employs the best person for the job.   (7 × 2)   (14)

1.6   Define the term *proactive*.   (2)

1.7   State TWO ethical standards which must be implemented to ensure good business practice.   (1 × 2)   (2)

[50]

QUESTION 2

Read the case study below and answer the questions that follow.

> 'In the spring of 2009, the storm struck for the whole week and left me frustrated by the lack of a fashionable, water-proof garment in my wardrobe,' said Carthy Kalin the owner of CKR Clothing Company.   She had an inspiration to manufacture stylish raincoats. She was able to find the right material and perfect design for the rain wrap. The design combines the popular style of pashmina and wrap. It is waterproof, reversible, light-weight, fast drying and easy to store in a handbag. The business grew internationally and she wanted to employ a marketing officer to market the product, organised marketing events such as road shows, manage budget, develop and implement market plan and collaborate frequently with other company's advertising and promotion officers.

2.1	Give TWO important reasons of drawing up a job description for new employees.	(2 × 2)	(4)
2.2	Design a short job description on behalf of Carthy Kalin for the position of a marketing officer. State at least FOUR duties.		(10)
2.3	Design the layout of this business.		(6)
2.4	Design a ONE-day induction programme for Carthy to introduce her new employees.		(20)
2.5	Identify FIVE aspects of operations management control and explain how each would contribute to Carthy's business.	(5 × 2)	(10)
			[50]

QUESTION 3 (Continuation of case study in QUESTION 2)

3.1	What is the importance of each of the following legislations:		
	3.1.1 Labour Relations Act	(2 × 4)	(8)
	3.1.2 Unemployment Insurance Fund Act	(2 × 4)	(8)
3.2	Suggest FIVE methods that Carthy could use to motivate her staff.	(2 × 5)	(10)
3.3	Do you think that CKR Clothing Company is a successful business? Give FIVE reasons for your answer.		(12)
3.4	How can Carthy use control process to confirm that the new employees are perfect for the job?	(2 × 6)	(12)
			[50]

Please turn over

QUESTION 4

Study the financial statements below and answer the questions.

NOTE: Make use of figures before tax and show all calculations. Amount must be shown in thousands.

INCOME STATEMENT OF CKR CLOTHING COMPANY FOR THE YEAR ENDING 30 MARCH 2012		
Sales		902 000
Less: cost of sales		485 000
Gross profit		417 000
Less current expenses		56 000
Overheads	38 000	
Administrative expenses	18 000	
Net income before tax		361 000
Less: Tax		105 955
Net Income after tax		255 045

BALANCE SHEET OF CKR CLOTHING COMPANY FOR THE YEAR ENDING 30 MARCH 2012		
Capital employed		692 000
Owner's equity		
Capital	436 955	
Net profit	255 045	
Long-term liability		108 000
Employment of capital		800 000
Fixed assets		375 000
Land and buildings	250 000	
Machinery	125 000	
Current assets		685 000
Stock	250 000	
Debtors	180 000	
Cash	255 000	
		260 000
Less: current liabilities		
Creditors	260 000	800 000

4.1 How well is the business compensating for the risk that she took?

    HINT: Return on investment (6)

4.2 Was is worthwhile to take the risk?

    Give TWO reasons for the answer. (6)

4.3 Work out the short-term liquidity position of the business.

    HINT: Current/Ratio (6)

4.4 Does the business have enough money to pay for its debts?

    Motivate your answer.

    HINT: Acid – test ratio, accounts receivable turn over ratio, average collection period. (50% of sales are on credit) (15)

4.5 Name FIVE working conditions that are stipulated and controlled by the Basic Conditions of Employment Act. (5)

4.6 Explain how the following environmental forces can affect Carthy's business:

    4.6.1 Political

    4.6.2 Environment

    4.6.3 Government

                                             (3 × 4) (12)

                                                    [50]

                                          TOTAL: 200