



higher education  
& training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA

N450(E)(J1)H  
JUNE EXAMINATION

NATIONAL CERTIFICATE

ENTREPRENEURSHIP AND BUSINESS MANAGEMENT  
N4  
(Second Paper)

(4090304)

1 June 2016 (X-Paper)  
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**DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
REPUBLIC OF SOUTH AFRICA**

**NATIONAL CERTIFICATE  
ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N4**

**(Second Paper)**

**TIME: 2½ HOURS**

**MARKS: 150**

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**NOTE:** If you answer more than the required THREE questions, only the first three questions will be marked. All work you do not want to be marked must be clearly crossed out.

**INSTRUCTIONS AND INFORMATION**

1. Answer only THREE questions from SECTION B.
  2. Read ALL the questions carefully.
  3. Number the answers according to the numbering system used in this question paper.
  4. Write neatly and legibly.
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**SECTION B****QUESTION 1**

- 1.1 Why do many businesses fail to complete a business plan? (2 × 2) (4)
- 1.2 Mr J Goods, a motor mechanic man, has a car repairs shop operating from his house. After a few years of savings he decides to relocate and rent a bigger workshop in town. He is new in the area and needs a more formal way in which people can recognise his business.
- Design a business card suitable for Mr J Goods's business. (5 × 2) (10)
- 1.3 Name TWO advertising media that Mr J Goods may use to advertise his product (refer to QUESTION 1.2). (2 × 2) (4)
- 1.4 As an entrepreneur, you think of several business ideas but choose only ONE.
- What promotional strategy can you use to promote your product? Refer to (QUESTION 1.3) (5 × 2) (10)
- 1.5 How do you complete an after-sale service evaluation in your business? (6)
- 1.6 Whose responsibility is it to create jobs? (2)
- 1.7 Give THREE ways which can help an entrepreneur to be more successful in running a business. (3 × 2) (6)
- 1.8 For an entrepreneur to be successful, he/she must have certain positive characteristics.
- If he/she, however, has the following negative characteristics, what advice would you give him/her to make the business a positive environment under the following terms?
- 1.8.1 Autocratic attitude
- 1.8.2 Impulsiveness
- 1.8.3 Know-it-all
- 1.8.4 Perfectionism
- (4 × 2) (8)
- [50]**

**QUESTION 2**

The following questions are applicable to the business plan you have completed during this semester. Choose a product/service that you want to use as a business idea or use the product/service of the business plan that you completed this semester.

- 2.1 Give your product/service a name and explain why you have chosen that particular name. (4)
- 2.2 Name and explain the type of ownership. (2)
- 2.3 Discuss the premises or place that you will need to operate your business from, based on the type of business you are operating. (8)
- 2.4 Name the type of customers (target market) that might be interested in your product. (2)
- 2.5 Name THREE types of office equipment/machinery that you will use in your business. Motivate the answer. (6)
- 2.6 Refer to your business plan and give the criteria you used in finding a supplier for your business. (5 × 2) (10)
- 2.7 Describe your role as the owner of the business in terms of responsibilities and management and give TWO examples of each criterion. (4 × 4) (16)
- 2.8 What are the negative impacts of not completing a business plan? (2)
- [50]**

**QUESTION 3**

- 3.1 Pamela started her business as a vendor. She was selling food outside the premises of the college. The demand for her service was great, she applied for a tender at the college to have cafeteria where she sold food for the students. Then she hired one young lady to help her preparing the meals and sell to the students during break and lunch time.

Draw up a contract of employment between Pamela and her employee in which you refer to the following items:

- 3.1.1 Nature of service
- 3.1.2 Hours and place of work
- 3.1.3 Lunch and tea breaks
- 3.1.4 Remuneration

(4 × 2) (8)

- 3.2 Complete a personal resource analysis for a stationery sales owner. Each resource should include at least TWO examples. (3 × 4) (12)
- 3.3 Complete a presales questionnaire of stationery shop. Your questionnaire should include at least FIVE questions. (14)
- 3.4 You intend to expand your business; however this will cost you to increase the number of your employees.  
Explain what should be included in a job description. (10)
- 3.5 Refer to the stationery shop and give THREE ideas as to how this business can be expanded. (3 × 2) (6)  
[50]

#### QUESTION 4

- 4.1 To control the money in any business is important for the running of a successful enterprise.  
What procedure should you follow concerning the control of your cash and inventory in your business that you stated in QUESTION 2? (5 × 2) (10)
- 4.2 Design a logo or trademark for your TIMMY TOTOY crèche business that will make customers easy to identify the business. (6)
- 4.3 You want to know how consumers will react when using your products or service.  
Explain how you can use observation as a technique in compiling this marketing information. (5 × 2) (10)
- 4.4 Use the following information to draw up the estimated cash flow budget for the next 3 months. At the beginning of October 2014 they had a favourable bank balance of R5 000. They also qualified for a loan of R5 000 that was granted in November 2014.

Use the attached ANSWER SHEET.

MONTHS	ESTIMATED SALES	ESTIMATED PURCHASES
OCTOBER	R15 000	R10 000
NOVEMBER	R20 000	R15 000
DECEMBER	R22 000	R25 500

**Other information**

1. Her average expenses per month are:

Loan repayment	R450
Telephone	R225
Electricity and water	R180
Wages/Salaries	R2 800
Advertising cost	R345
Stationery	R120

2. In November 2014 they will sell one of their old printing machines for R12 000 cash.
3. In December they will buy new equipment. The deposit will be R15 000 and the monthly instalments thereafter will be R800 for the next TWO years.

(24)  
[50]

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

## 4.4 ANSWER SHEET EXAMINATION NUMBER

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**CASH FLOW STATEMENT**

MONTH	OCTOBER	NOVEMBER	DECEMBER
<b>CASH RECEIPTS</b>			
Bank balance beginning of month			
Cash sales			
Other income			
<b>TOTAL CASH AVAILABLE</b>			
<b>CASH PAYMENTS</b>			
Monthly expenses			
Cash purchases			
Other payments			
<b>TOTAL CASH PAYMENTS</b>			
Bank balance end of month			

(24)