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Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

N490(E)(J6)H
NATIONAL CERTIFICATE

ENTREPRENEURSHIP AND BUSINESS MANAGEMENT
N5

(Second Paper)

(4090315)

6 June 2017 (X-Paper)
09:00–12:00

OPEN-BOOK EXAMINATION

Candidates may use FIVE sources including a dictionary and a calculator.

No electronic dictionaries may be used.

This question paper consists of 5 pages.



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**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 questions, only the first THREE questions will be marked. Clearly cross out all work you do not want to be marked.

INSTRUCTIONS AND INFORMATION

1. Answer THREE questions only.
 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.
-

QUESTION 1

Beauty Bogopa escaped poverty and a lack of opportunity in her small village in Limpopo when she came to Gauteng to work as a domestic servant. She saved up enough money to enrol for studies in beauty therapy and hairdressing. After graduating in 1990, she opened The Beauty Clinic, which offers hairdressing and beauty therapy. The Beauty Clinic employs four hairdressers, a beautician and a salesperson. The business is situated in a busy shopping complex. Beauty has a wonderful personality and she has implemented an excellent marketing strategy. She advertises in the local community newspaper, hosts hair and beauty competitions, and offers monthly sales and discounts on haircuts on certain days.

- 1.1 State FIVE factors that would contribute to the success of The Beauty Clinic. (5 × 2) (10)
- 1.2 The atmosphere in The Beauty Clinic is tense, as conflict is present among the workers.
- Draw up a programme for a team-building exercise that Beauty wants to hold on Sunday from 08:00 to 16:00 for her staff at the Clinic. List TEN activities that Beauty can use to improve teamwork at The Beauty Clinic. (10 × 2) (20)
- 1.3 Describe FIVE criteria that Beauty would have to consider when choosing a new products and cosmetics supplier. (5 × 2) (10)
- 1.4 The beauty industry is a highly competitive environment.
- Explain FIVE ways in which the competition would affect The Beauty Clinic. (5 × 2) (10)
- [50]**

QUESTION 2

- 2.1 The Beauty Clinic needs to employ another hairdresser.
- Explain what process Beauty would have to follow to ensure that she employs the best person for the job. (7 × 2) (14)
- 2.2 Describe THREE ways in which Beauty could use her business to develop a social responsibility project for her community. (3 × 2) (6)
- 2.3 Discuss with Beauty FIVE important principles she must bear in mind when delegating a task to a subordinate. (5 × 2) (10)
- 2.4 Draw an organisational structure for The Beauty Clinic, bearing in mind that Beauty is the owner/manager. (8)
- 2.5 Explain the control process that Beauty will have to follow if the newly appointed hairdresser's performance is not up to standard. (6 × 2) (12)
- [50]**

QUESTION 3

Roseline Mabena is the owner and manager of RM Mechanical Workshop. Her fascination with cars started from the age of 12, while watching her father repair cars. She acquired the skills and knowledge of motor mechanics without even realising it. After completing matric (Grade 12), she enrolled for motor mechanics at the local community college. She converted her skills into a small business and opened her own mechanical workshop in partnership with her father in a rented building. On a busy day, she repairs eight to ten cars, each with different mechanical problems. Her business is run extremely professionally and all cars are booked by appointment. Today RM Mechanical Workshop is a well-established and highly regarded business. Roseline has secured a contract to service and repair the cars of SAPS (South African Police Services) in her area for a period of three years. Roseline employs seven workers, namely an administrator, a driver (who also washes the cars), and five mechanics.

- 3.1 What practical steps can Roseline take as an entrepreneur to maintain or improve her personality? (4 × 3) (12)
- 3.2 Suggest EIGHT methods that Roseline could employ to motivate her staff. (8 × 2) (16)
- 3.3 Provide a clear definition for each labour-related Act listed below and explain to Roseline how each Act will affect her business.
- 3.3.1 Unemployment Insurance Act
- 3.3.2 Labour Relations Act
- 3.3.3 Basic Conditions of Employment Act
- 3.3.4 Machinery and Occupational Safety Act
- 3.3.5 Workmen's Compensation Act (5 × 4) (20)
- 3.4 Do you think that RM Mechanical Workshop is a viable business? Give a reason for your answer. (2)
- [50]**

QUESTION 4

Study the financial statements below and answer the questions that follow.

NOTE: Use the figures before tax and show all your calculations.

BALANCE SHEET OF MD FURNITURE SHOP FOR NOVEMBER 2014

Capital employed		
Owner's equity		
Capital	51 000	51 000
Long-term liability		<u>17 500</u>
		<u>68 500</u>
Employment of capital		
Fixed assets		
Machinery	18 000	18 000
Current assets		50 500
Stock	2 500	
Debtors	25 600	
Cash	22 400	
		<u>68 500</u>

Note: According to the November 2014 income statement, the net profit before tax was R31 000.

4.1 Do the following calculations for MD Furniture Shop:

4.1.1 Return on investment

4.1.2 Current ratio

4.1.3 Acid test ratio

(3 × 6) (18)

4.2 Was it worthwhile to take the risk? Give THREE reasons for your answer.

(2 + 3 × 2) (8)

4.3 Identify FIVE aspects of operations management control and explain how each would contribute to Roseline's business.

(5 × 3) (15)

4.4 State the advantages that financial statements have in managing and controlling a business.

(2 × 2) (4)

4.5 Provide the elements of a mission statement for MD Furniture Shop.

(5)

[50]

TOTAL FOR SECTION B: 150
GRAND TOTAL: 200