



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N4
(Second paper)

26 May 2021

This marking guideline consists of 6 pages.

QUESTION 1

- 1.1
- Job creation
 - Economic growth
 - To increase local productivity
 - Entrepreneurship and creativity ~~is~~ are encouraged.
 - Money is invested back into the country.
 - Export development
- (Any 4 × 2) (8)
- 1.2 Problem redefinition✓
 Problem (No electricity) – Solution (Solar Jar)✓✓
 Forced connections:✓ Consol Jar + Solar energy = Consol Solar Jar✓✓ (6)
- 1.3
- Saves energy
 - Environmentally friendly
 - Can be used when there is no electricity
- (3 × 2) (6)
- 1.4 30 years' experience ✓✓ in electronic and hydraulic engineering✓✓ (4)
- 1.5
- Logo:  ✓✓
 [Students will design any logo]
 Entrepreneur's name: Herald Schulz✓✓
 Name of the business: Suntoy✓✓
 Position: Technical and Managing Director✓✓
 Neat and attractive✓✓ (10)
- 1.6 Small Medium Micro-Enterprise (2)

1.7 SALES SCENARIOS

Market potential per month	$3\,500 \times 3 = 10\,500/4 =$	✓✓2 625
Market potential share	$2\,625 \times 70\% =$	✓✓1 838
Supplier analysis	$80 - 16$	✓✓64
Monthly figures		
Number of units to be sold in one month		1 838
Monthly sales	$1\,838 \times 150$	✓✓275 700
Less: Monthly unit costs	$1\,838 \times 64$	✓✓117 632
Gross profit per month		✓✓158 068

(14)
[50]

QUESTION 22.1 AL✓✓ **ALVADA CREATIONS**✓✓

Short and easy to remember✓✓ (6)

- 2.2
- Gender – Both female and male
 - Location- Dieps~~l~~oot
 - Income – Middle and upper income groups
 - Age – Children and grownups
- (4 × 2) (8)

2.3 Type of ownership: Private company✓✓

Advantages: Separate legal entity✓✓ Uninterrupted existence✓✓ Limited liability✓✓ Borrowing capacity (8)

2.4 Shopping products✓✓ – Customers compare quality and style before they buy the product.✓✓ (4)

2.5 **Guidelines:**

- Headlines catches the eyes of the reader
 - Neat and attractive
 - Include the business name and address
 - Business logo
 - Pictures
 - Prices
 - Special offer
- (Any 6 × 2) (12)

2.6

2.6.1	Sales	2 500
	Cost of sales	<u>900</u> ✓
	GROSS PROFIT	1 600✓✓
	Fixed Costs	<u>350</u> ✓
	NET PROFIT	1 250✓✓

2.6.2 $GP\% = GP/SP \times 100 = 1\,600/2\,500 \times 100\checkmark = 64\%\checkmark\checkmark$ $NP\% = NP/SALES \times 100 = 1\,250/2\,500 \times 100\checkmark = 50\%\checkmark\checkmark$ (6 × 2) (12)
[50]

QUESTION 3

- 3.1
- | CASH FLOW STATEMENT | FEBRUARY | MARCH | APRIL |
|---|---------------|----------------|----------------|
| Bank balance beginning of the month | ✓6 500 | ✓3 720 | ✓6 520 |
| Cash sales | ✓3 000 | ✓5 700 | ✓6 600 |
| Credit sales | 0 | 0 | 0 |
| Other income | 0 | ✓2 500 | 0 |
| TOTAL CASH AVAILABLE | ✓9 500 | ✓11 920 | ✓13 120 |
| Monthly expenses | ✓2 650 | ✓2 650 | ✓2 650 |
| Cash purchases | ✓1 680 | ✓1 380 | ✓1 920 |
| Credit purchases | ✓1 200 | ✓1 120 | ✓920 |
| Other payments | ✓250 | ✓250 | ✓250 + ✓1 200 |
| TOTAL CASH PAYMENTS | ✓5 780 | ✓5 400 | ✓6 940 |
| Bank balance end of ~~the~~ <u>the</u> month | ✓3 720 | ✓6 520 | 6 180✓ |
- (24)
- 3.2
- 3.2.1 Invention✓✓ Such a product has never been made before.✓✓ (4)
- 3.2.2
- To bring new ideas
 - To improve products
 - To bring inventions
 - Problem solving
- (Any 3 × 2) (6)
- 3.2.3
- Bachelors
 - Newlyweds
 - Students
 - Working people
- (Any 3 × 2) (6)
- 3.2.4
- Skimming
 - To create an exclusive image for a business
 - Sliding down the demand curve
- (Any 2 × 2) (4)
- 3.2.5 Odd pricing✓ Products
Opportunistic pricing: To create an exclusive image for a business (6)
[50]

QUESTION 4

4.1 Complete an executive summary for your business plan.

4.1.1 A brief description of your business/product/service.

The student will describe what the business does – He/-she will describe the main product lines/services✓✓ Locality and the business structure✓✓

(4)

4.1.2 To increase the market share by 20%

To expand the business to the neighbouring countries

(2 × 2)

(4)

4.1.3 I will need a start-up capital of [xxxx].✓

The start-up contribution will be [xxxx].✓

Total amount of capital required [xxxx]✓✓

(4)

4.2 Description of the target market

Marking criteria: Age✓✓ Gender✓✓ Location✓✓ Income✓✓ (Any THREE)

Competitor analysis

The student will mention the name✓✓ of the competitor and ~~their~~its location✓✓ and ~~their~~ competitive advantages.✓✓

SWOT

The student may describe 1 example ~~for~~of each aspect of SWOT analysis:

Strengths✓✓ Weaknesses✓✓ Opportunities✓✓ Threats✓✓

(Any THREE aspects of SWOT analysis)

Marketing strategy

Word of mouth✓✓ Social media✓✓ Flier✓✓

Positioning

Quality✓✓ Good customer care✓✓ Competitive prices✓✓

(18)

4.3 The student may mention the following:

I have knowledge and skills in running this kind of a business.✓✓

I have ~~made~~done research.✓; there is a big demand for this product/service.✓✓

Customers are willing to pay.✓✓

(6)

4.4

- Starting stock
- Advertising
- Legal and accounting fees
- Water and electricity connections
- Telephone connections

(5)

4.5	4.5.1	Suppliers business name e.g. Mastertons coffee and Tea Specialists		
	4.5.2	Johannesburg industrial area		
	4.5.3	Online/Yellow Pages		
	4.5.4	• Good reputation • Supply quality products • Guarantees and warranties • Reasonable prices	(Any 3 × 1) (4 × 3)	(12) [50]
			TOTAL:	150