



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE

ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N4
(Second paper)

(4090304)

10 November 2022 (X-paper)
09:30–12:00

OPEN BOOK EXAMINATION

Calculators and FIVE reference works, consisting of dictionaries, textbooks and student files containing lesson notes, may be used.

This question paper consists of 6 pages and 3 answer sheets..

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ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N4
(Second paper)
TIME: 2½ HOURS
MARKS: 150

NOTES: 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 blue or black pen.
 6. Write neatly and legibly.
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QUESTION 1

Study the information below and answer the questions.

Ella Mthethwa swapped her love for plants to pursue her dreams of becoming a cooking queen. Today she runs her own catering company and employs ten people. This came after she worked as an assistant horticulturalist for six years. 'I worked in the horticulture section of Ekurhuleni Municipality but then the food business stole my heart.'

'I've always loved to be in the kitchen, since I was a teenager. My best memories as a child are when I used to assist my mom preparing Sunday lunch before we went to church.'

After finishing high school at Alpheus D Nkosi Secondary in her hometown in 1998, Mthethwa followed her love of working with plants and studied horticulture. 'I furthered my studies through The University of South Africa (UNISA), completing my Horticulture and Marketing Management Degree.'

Mthethwa's passion for cooking was revived when she ended up working for Emperors Palace in Johannesburg as a trainee chef from 2004 to 2005. She adds that although she may not be a qualified chef, her cooking skills are for sure a gift from above.

In 2014, Mthethwa started her own catering company, Angela's Kitchen and Events Management. 'My work is very demanding, early mornings and late evenings. Sometimes I would leave home from Friday and only come back on Sunday depending on the event. I have employed 10 dedicated and reliable people to work with me.' Her favourite dishes include roasts, curries and African cuisine.

[Adapted from: <https://foodformzasi.co.za>]

- 1.1 Use AIDA principles and other guidelines of a good advertisement to design an eye-catching, attractive poster that conveys a compelling message for Ella Mthethwa's business. (14)
- 1.2 Networking is really important for someone who owns a business. Suggest the most important people Ella will need to associate herself with to bring more income to her business. (4)
- 1.3 Create an after-sales questionnaire for Ella to determine whether her clients are satisfied with her products and services. At least include FIVE questions. (12)
- 1.4 What can she do to retain her customers? (8)
- 1.5 Design a unique and memorable trademark for Ella's business. (6)
- 1.6 Name THREE legal requirements for a catering business. (3 × 2) (6)

[50]

QUESTION 2

Study the information below and answer the questions.

The Future Leaders Business Plan Competition gives the tenacious and aspiring entrepreneurs from every province in SA the opportunity to win their share of R500 000 worth of prizes which they can use to start their own businesses and their operations. Naturally you always seize every opportunity that presents itself before you.

Assume that those who are willing to participate in this competition will be required to answer the following questions:

- | | | |
|-----|--|-------------|
| 2.1 | Give a short description of the service or product you intend to offer. | (4) |
| 2.2 | Describe your mission and objectives. | (4) |
| 2.3 | How will you set your business apart from other competing businesses? | |
| | Mention FOUR competitive advantages of your business. | (4 × 2) (8) |
| 2.4 | Describe your target market. Refer to the following demographic factors: Age, Gender, Location, Occupation and Income. | (10) |
| 2.5 | Complete your management plan. Include THREE headings. | (12) |
| 2.6 | Compile a start-up cost budget showing the key areas where you will spend your start-up capital. | (12) |
| | | [50] |

QUESTION 3

You want to start a security shop selling CCTV systems, alarms, refurbished Centurion gate motors and intercom systems. Your service also includes installations and repairs.

Refer to the case study and answer the following questions:

- | | | |
|-----|--|------|
| 3.1 | You want to determine whether your security shop will have a market. Compile the pre-sale questionnaire that you can use to collect information about your target market. The questionnaire must include FIVE questions relating to your product/service, the name of your business and the business logo. | (11) |
| 3.2 | Give your security shop a name and explain why you chose that name. | (5) |
| 3.3 | Write a slogan for your business. | (2) |
| 3.4 | Make a list of your potential customers. | (10) |
| 3.5 | What are the critical factors in this industry | (6) |

- 3.6 Ann wants to open a Bed and Breakfast in Apex. There are 5 Bed and Breakfasts in Apex and their total market share is 2 500 customers per month. She knows that she can only expect 60% of the market share for the year.

Her selling price will be R450 and her costs per customer will be R300. Ann's B&B will be open for 30 days a month. She also buys from a supplier that gives her 20% discount for cash purchases.

- Calculate the gross profit per day.
- Calculate the gross profit per month.

(16)

[50]

QUESTION 4

Natural Talent Can Become Your Success

'I learnt to design and sew while assisting my mother who was a seamstress, and that is when I realised that I had a talent to create,' Thabo Khumalo explains. 'But I never knew I was an entrepreneur.' Thabo Khumalo started his company ToVch in 2010 and has since appeared in South African Fashion Week, Soweto Fashion Week and Mpumalanga Fashion Week. Khumalo has a small but engaged audience, who he communicates directly with. 'The brand has a dedicated audience, and the social media presence also allows me to continuously scan the fashion environment to keep up with external forces.'

One of the most challenging aspects of launching his business was marketing the brand with limited funds. He used social media and word-of-mouth to market. 'On social media, people share your brand with others simply because they want to,' says Khumalo. 'It's a powerful platform, and it does not cost anything.' Khumalo built up his company using support from a strong online network, which became his marketing strategy.

- 4.1 Khumalo continuously scan the fashion environment to keep up with external forces of being an entrepreneur especially in the line of work.

Use your own words to explain the term *external force*.

(2)

- 4.2 Mention THREE environmental forces which could influence Khumalo's business and explain how they will influence ToVch.

(6)

- 4.3 Which advertising strategies is Khumalo using to gain the attention of his audience?

(6)

- 4.4 Give TWO advantages of Khumalo's marketing approach.

(2 × 2)

(4)

- 4.5 Complete SWOT analysis for Khumalo's business. (4 × 2) (8)

- 4.6 Jabu owns a small clothing shop in his area. Use the following information to draw up his estimated cash flow statement for the next THREE months. At the end of June 2020 he had a favourable bank balance of R8 500. He also qualified for a loan of R6 500 which was granted in July 2020.

MONTH	ESTIMATED SALES	ESTIMATED PURCHASES
June	19 000	12 000
July	26 000	16 000
August	28 000	18 500
September	34 000	22 000

1. Other information:

Telephone	650
Water and electricity	1 250
Wages and salaries	3 800
Advertising costs	1 700
Stationery	550
Rent	1 900
Loan repayment (August 2020)	850

2. 40% of all sales are on credit. These consumers pay 30 days later.
3. 10% of all purchases are on credit. They pay 30 days later.
4. Jabu will buy a secondhand delivery vehicle in July. The deposit will be R12 000 and the monthly payments thereafter will be R1 200 for 72 months.
5. He will pay R5 000 for rates and taxes in August.
6. He will sell his old computer in August for R3 500.

(24)

[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

ANSWER SHEET

EXAMINATION NUMBER:

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2.6

Pre-operating costs	
Fixed assets	
Pre-operating expenses	

ANSWER SHEET**EXAMINATION NUMBER:**

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3.6

Market potential per day	
Market potential share	
Supplier analysis	
Daily figures	
Number of units sold in one day	
Selling price per unit	
Cost price for each unit	
Daily sales	
Total daily costs	
= Gross profit per day	
Monthly figures	
Number of units sold in one month	
Monthly sales	
Monthly unit cost	
= Gross profit per month	

(12)

ANSWER SHEET**EXAMINATION NUMBER:**

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4.5

MONTH	JULY	AUGUST	SEPTEMBER
Opening balance			
Cash sale			
Credit sales			
Other receipts			
Total cash receipts			
Cash purchases			
Credit purchase			
Monthly payments			
Loan repayment			
Other payments			
Total cash payments			
Month-end balance			

(24)