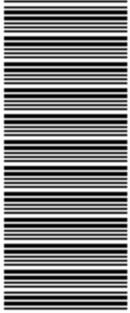


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# higher education & training

Department:  
Higher Education and Training  
**REPUBLIC OF SOUTH AFRICA**

**N790(E)(J1)H  
JUNE EXAMINATION  
NATIONAL CERTIFICATE  
INTRODUCTORY ENTREPRENEURSHIP N4**

(4090294)

**1 June 2016 (X-Paper)  
09:00–12:00**

**This question paper consists of 7 pages.**

**DEPARTMENT OF HIGHER EDUCATION AND TRAINING**  
**REPUBLIC OF SOUTH AFRICA**  
NATIONAL CERTIFICATE  
INTRODUCTORY ENTREPRENEURSHIP N4  
TIME: 3 HOURS  
MARKS: 100

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

**INSTRUCTIONS AND INFORMATION**

1. Answer any FOUR questions.
  2. Read ALL the questions carefully.
  3. Number the answers according to the numbering system used in this question paper.
  4. Write your EXAMINATION NUMBER in the ANSWER BOOK.
  5. Round off ALL calculations to TWO decimal figures.
  6. Write neatly and legibly.
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**CASE STUDY**

Read the case study below and answer the questions.

## **MARIAH'S BEADS ARE FAMOUS.**

Mariah Mahlangu uses her craft to make a living. Her beadwork has made her a celebrity at the flea market outside the Hector Peterson Museum in Orlando West, Soweto.

Having learnt as a teen from her mother to make beautiful objects from beads, Mariah (53) is also passing down the knowledge to her daughter. 'I used to help my mum when I was still home in Mpumalanga but I have grown and turned it into a business. I couldn't imagine myself doing anything different,' said the mother of four.

'I've sent all my kids to university with the money I make from selling my work. Even though my daughter has a full-time job, she still helps me when she can. This has given her a skill that she can use forever.'

'I make Ndebele beaded dolls, jewellery, beaded cups and anything humanly possible that can be made using beads,' said Mariah. She told the People's paper that local customers support her, as well as tourists that come to the museum.

'I have been selling at the flea markets around Johannesburg for over 10 years and I get along with my customers whom I've come to know over time.' I also run the business from Siyabuswa in Mpumalanga. She told the People's paper that even though she has tried working for projects that make beaded jewellery, she prefers being in her own business and interacting with people.

'I like it when my work makes people happy because it also makes me happy,' she said. I do it knowing that someone will treasure and value the work that went into it.'

**QUESTION 1**

- 1.1 Mariah sells beaded items.  
Which **FOUR** factors of production will she utilise? (4 × 1) (4)
- 1.2 Name **FIVE** managerial responsibilities that Mariah must take into consideration. (5 × 1) (5)
- 1.3 Name **TWO** types of risks Mariah may encounter in the business world. (2 × 1) (2)

- 1.4 Mariah has about 2 000 customers who visit her business. Each customer spends an average of R55,00 per day. On average a customer spends 12% on beaded items. Mariah is convinced that she will attract 10% of the market share, as there are other businesses.
- Calculate the potential rand value of her market. (6)
- 1.5 Name THREE market research methods Mariah can utilise to identify her target market. (3 × 1) (3)
- 1.6 Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'true' or 'false' next to the question number (1.6.1–1.6.5) in the ANSWER BOOK.
- 1.6.1 Creativity is only applicable when starting a business.
- 1.6.2 Owner's equity refers to amounts invested in the business by the owner.
- 1.6.3 The purchasing function deals with the recruitment of staff.
- 1.6.4 Fixed capital must be paid back within twelve months.
- 1.6.5 Private companies normally advertise their shares in national newspapers and trade magazines. (5 × 1) (5)
- [25]**

## QUESTION 2

- 2.1 State the contents of the marketing plan Mariah must consider in her business. (6)
- 2.2 Name at least FIVE functions involved in a business enterprise. (5 × 1) (5)
- 2.3 Mariah runs her business in a free-market system.
- Name FOUR characteristics of this system. (4 × 1) (4)
- 2.4 Write the following abbreviations in full:
- 2.4.1 ATM
- 2.4.2 COD
- 2.4.3 SITE (3 × 1) (3)

- 2.5 Mariah sells beaded dolls for R250,00. The customer brings to her attention that one of the dolls is damaged. Mariah grants the customer a discount of 20% on the selling price.  
Calculate the new selling price. (2)
- 2.6 State FIVE main characteristics of a close corporation. (5)  
[25]

### QUESTION 3

- 3.1 Name THREE target markets or segments that Mariah will serve. (3)
- 3.2 Define the following terms:
- 3.2.1 Business opportunity
- 3.2.2 Industrial goods
- 3.2.3 Services (3 × 2) (6)
- 3.3 Calculate 13% of R2 500. (1)
- 3.4 Mariah plays an important role in the economy of our country.  
Give FOUR reasons to motivate this statement. (4 × 1) (4)
- 3.5 State SIX functions of Mariah as an entrepreneur. (6 × 1) (6)
- 3.6 Complete the following sentences by using the word(s) given in the list below. Write only the word(s) next to the question number (3.6.1–3.6.5) in the ANSWER BOOK.

debtors; cash-flow budget; publicity; break-even point; intrapreneur, entrepreneur; research; income statement
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- 3.6.1 ... is sponsor fund raising activities.
- 3.6.2 The ... is the point where total income equals to the total expenditure.
- 3.6.3 A person who starts his/her own business is called a/an ...
- 3.6.4 ... is the account of all customers who owe you money and buy on credit.
- 3.6.5 The ... statement helps you to avoid cash shortages. (5 × 1) (5)  
[25]

**QUESTION 4**

- 4.1 Sophie, Mariah's assistant would like to go on holiday from 16 December 2015 – 16 June 2016.  
Calculate the number of days that she will be away. (2)
- 4.2 State the SEVEN steps that Mariah should follow with regard to the procedure for purchasing stock. (7 × 1) (7)
- 4.3 Name FOUR different factors Mariah should consider when deciding on a supplier. (4 × 1) (4)
- 4.4 Decrease R522,50 by 37%. (3)
- 4.5 Explain TWO ways in which Mariah could identify shoplifters. (2)
- 4.6 Explain to Mariah the meaning of a *postdated cheque*. (1)
- 4.7 Mariah advertises her products in the local newspaper.  
How will she utilise the AIDA formula to her advantage? (4)
- 4.8 The price of beaded cups is R30,00 each. The price will increase by 8% next month.  
Calculate the new selling price. (2)
- [25]**

**QUESTION 5**

- 5.1 Mariah's net profit increased by 5% in 2015. Her net profit for 2014 was R65 000.  
Calculate her net profit for 2015. (4)
- 5.2 Budgets are very important in the successful management of Mariah's business enterprise.  
Name THREE primary functions of a budget. (3 × 1) (3)
- 5.3 Mariah invests R35 000 in a fixed deposit at a rate of 16,75% simple interest per annum for five years at a bank.  
Calculate the interest she will earn.  
Formula:  $I = \frac{p \times r \times t}{100}$  (4)

5.4 The customer might want to get hold of Mariah in the future.

Draw up a business card that will make it easier for them to contact her

NOTE: This business card can be used on the front cover of her business plan.

(5)

5.5 Use the following price list to complete Mariah's cash slip:

<b>MARIAH'S BEADS CC PRICE LIST</b>	
Beaded necklaces	R90,00
Beaded dolls	R250,00
Beaded cups	R30,00
Beaded bracelets	R15,00

5.5.1 3 beaded necklaces = R...

5.5.2 2 beaded cups = R...

5.5.3 5 beaded dolls = R...

5.5.4 4 beaded bracelets = R...

5.5.5 Total amount = R...

5.5.6 Cash Paid = R...

5.5.7 Change = R...

(7 × 1) (7)

5.6 Mariah has 5 necklaces and 10 bracelets in stock.

What percentage of the stock consists of bracelets?

(2)  
[25]**TOTAL: 100**