



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

**N740(E)(J4)H
JUNE EXAMINATION**

NATIONAL CERTIFICATE

INTRODUCTORY ENTREPRENEURSHIP N4

(4090294)

**4 June 2014 (X-Paper)
09:00–12:00**

This question paper consists of 5 pages.

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

NOTE: If you answer more than the required number of question, 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. ALL answers must be rounded off to TWO decimal places.
 5. Write neatly and legibly.
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Read the case study carefully and answer the questions.

Land of opportunity

Dianah Shivambu never imagined she'd be a farmer, but it's a profession that suits the former school teacher down to the ground and one in which she's enjoying enormous success. Her story proves that nothing is impossible in business if one has passion, dedication and willingness to learn.

'I knew nothing about farming when I started', Shivambu says, but her combination of self-motivation and desire to learn has meant opportunities have found her. Cashing in part of her teacher's pension in 2005, Shivambu used R80 000 to purchase 1 000 chickens and equipment. She also joined a group of 18 emerging farmers called the Nkomamota Organic Farmer's Group and was given an opportunity to attend a week's worth of training at the Agricultural Research Council on organic farming methods, the cost covered by government.

Learning how to farm is only half the battle won, one of the biggest challenges emerging farmers face is gaining access to markets, and a lack of critical business skills. In 2006 Shivambu was lucky to be selected to attend South Africa Agricultural Academy Market Development Programme

'What I learned on that course has been critical to the success of my farm as a business. It taught me to understand things like input cost, break-even points and profit margins, all of which I have used to negotiate fair, market-related prices', she says.

[Entrepreneurship Magazine, October 2008]

QUESTION 1

- 1.1 Identify FOUR characteristics of an entrepreneur in Shivambu. (4)
- 1.2 Give ONE example of a type of need that is met through Shivambu's products. (2)
- 1.3 Give FOUR factors of production that play a role in Shivambu's business. (4)
- 1.4 State FIVE basic functions of management Shivambu must have in order to be successful in her business. (5)
- 1.5 Shivambu plays an important role in the economy of our country.
Give FIVE reasons to support this statement. (5)
- 1.6 Shivambu invested R20 000 in the bank at 20% per annum from 1 January 2014 to 11 July 2014.
Calculate the simple interest using the following formula:
$$I = \frac{P \times r \times t}{100}$$
 (4)
- 1.7 What does the abbreviation DTI stand for? (1)

[25]

QUESTION 2

- 2.1 Define the term *break-even point*. (2)
- 2.2 Give FOUR different factors Shivambu should consider when deciding on a supplier. (4)
- 2.3 Shivambu must make use of banking facilities to manage her money in the business.
Name at least SIX different types of banking facilities. (6)
- 2.4 Draw up a questionnaire with THREE questions that Shivambu can use to find out what her customers like about her business. (6)
- 2.5 Give the SEVEN steps of the purchasing procedure. (7)
- [25]

QUESTION 3

- 3.1 Name THREE target markets or segments that Shivambu will serve. (3)
- 3.2 State TWO competitive advantages that Shivambu has which make her business successful. (2)
- 3.3 Discuss FIVE advantages of the free-market system. (5)
- 3.4 Shivambu runs her business as a Close Corporation.
State SIX advantages of this form of ownership. (6)
- 3.5 Name FOUR types of short-term capital Shivambu can use. (4)
- 3.6 Briefly describe FIVE advantages of efficient stock management Shivambu should consider which will have an influence on the profit of her business. (5)
- [25]

QUESTION 4

- 4.1 Shivambu has 75 females and 25 males in employment.
What percentage of her staff is female? (3)
- 4.2 What is the standard rate of Value Added Tax? (1)
- 4.3 Shivambu's net profit increased by 10% in 2014, while her net profit for the year 2013 was R130 000
Calculate her net profit for the year 2014. (5)
- 4.4 What is the difference between the sum of 390 and 473 and the product of 50 and 4? (4)
- 4.5 What number must be subtracted from 7 698 to get 5 432 (2)
- 4.6 Give the TEN steps in drawing up a business plan. (10)
[25]

QUESTION 5

- 5.1 Businesses and individuals are exposed to numerous risks.
Name FOUR types of insurable risks encountered in the business world (4)
- 5.2 Complete: Sales - cost of sales =. (1)
- 5.3 Name and explain the THREE categories of goods and services that satisfy the needs. (6)
- 5.4 Give briefly descriptions of the following terms:
- 5.4.1 Market segmentation (3)
- 5.4.2 Copyright (3)
- 5.5 Describe SIX importances of budgets. (6)
- 5.6 Calculate the cash discount on R10 800 if a customer receives 33,3% discount when he/she pays cash. (2)
[25]

TOTAL: 100