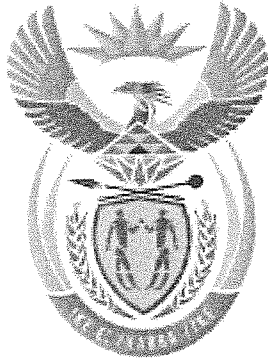


2013/11/130



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

N710(E)(N7)H
NOVEMBER EXAMINATION

NATIONAL CERTIFICATE

INTRODUCTORY ENTREPRENEURSHIP N4

(4090294)

7 November 2013 (X-Paper)
09:00–11:00

This question paper consists of 5 pages.

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA
NATIONAL CERTIFICATE
INTRODUCTORY ENTREPRENEURSHIP N4
TIME: 2 HOURS
MARKS: 100

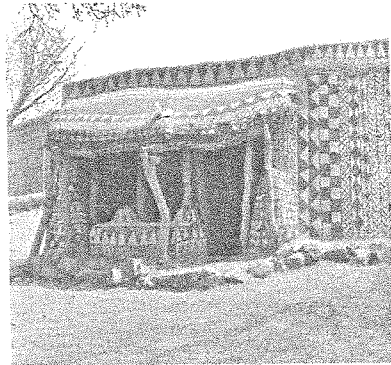
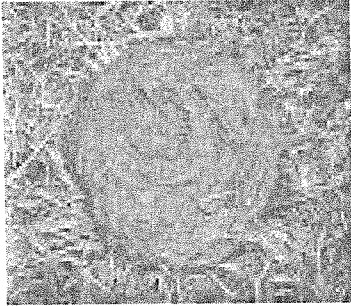
NOTE: If you answer more than the required number of questions, only the required number of questions will be marked. All work you do not want to be marked, must be clearly crossed out.

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. Round off **ALL** calculations to **TWO** decimal places.
 5. Write neatly and legibly.
-

QUESTION 1

CATTLE-DUNG BUSINESS



A creative man will do anything to make a living. He will even sell cow dung if that's what it takes!

Risimati Baloyi (34) of Qaza Village, in Limpopo, lost his job as a bricklayer in Johannesburg and could not find a job. He then had an idea that other people laughed at. They said he was crazy. He had the last laugh as his idea paid off. He collects manure and sells it to other villagers. He says his product is affordable because he charges his customers, mainly women, R10 for a 25 litre bucket of dung.

The villagers call cattle-dung '*vulongo*' and they use it to decorate their homes and make their own yards look neat. Cattle-dung is a cheap, traditional alternative for people who cannot afford cement and plaster. Plastering a house or a yard with cow dung is called '*kusinda*' in Xitsonga.

Risimati gets the dung from other people's cattle. He just follows them as they graze. He says sometimes the demand is too high in such a way that he is able to sell four to six buckets per day. He also plasters houses and yards. He charges about R150 to R300.

[Daily Sun, 13 June 2012]

- 1.1 Risimati is referred to as an entrepreneur. Define the term *entrepreneur* briefly. (4)
- 1.2 Give TWO reasons why Risimati started his own business. (2 × 2) (4)
- 1.3 Risimati's business is that of a sole trader. State SIX advantages of this form of ownership. (6)
- 1.4 State SIX characteristics of Risimati as an entrepreneur. (6)
- 1.5 What is the difference between the sum of 390 and 347, and the product of 50 and 6? (5)

[25]

QUESTION 2

- 2.1 Risimati has about 300 clients who make use of his service. Each client spends an average of R200. On average a client spends 40% on Risimati's service. Risimati is convinced that he will attract a 10% market share.
- Calculate the potential rand value of his market share. (6)
- 2.2 State SIX basic contents of the business plan that Risimati should be aware of. (6)
- 2.3 Risimati plays an important role in the economy of our country.
- Give FIVE reasons to substantiate this statement. (5)
- 2.4 Risimati charges about R150,00 for plastering the houses. The price will increase by 10% in the nearer future.
- Calculate the new price increase. (3)
- 2.5 State FIVE activities that Risimati must take into consideration when dealing with the suppliers. (5)
- [25]

QUESTION 3

- 3.1 Which FOUR factors of production play a role in Risimati's business? (4)
- 3.2 Name THREE market research methods which Risimati must utilise to identify his target market. (3)
- 3.3 Risimati needs to get rid of his old stock if he wants to turn slow-moving inventory into cash.
- Suggest THREE ways in which he can speed up the stock inventory process. (3)
- 3.4 Explain the importance of a business plan in Risimati's business. (6)
- 3.5 State the SEVEN steps of the purchasing procedures Risimati must adhere to. (7)
- 3.6 Explain to Risimati the meaning of the term *bank overdraft*. (2)
- [25]

QUESTION 4

- 4.1 Risimati is concerned about the control of cash in his business.
State SIX ways in which he can control it. (6)
- 4.2 Risimati invested R15 000,00 in a bank at 15% interest per annum for two years. Calculate the final amount at the end of the two years. (4)
- 4.3 Draw a questionnaire with FOUR questions that Risimati can use to find out what his customers like about his business. (4 × 2) (8)
- 4.4 Name TWO types of risks Risimati can encounter in the business world. (2)
- 4.5 Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'true' or 'false' next to the question number (4.5.1–4.5.5) in the ANSWER BOOK.
- 4.5.1 Religion is an example of a cultural need.
- 4.5.2 Salaries and wages are other factors of production.
- 4.5.3 Services are intangible benefits of need satisfaction.
- 4.5.4 A need is a desire or craving for something that gives satisfaction.
- 4.5.5 Consumer goods, for example food, are products used by the final consumer. (5 × 1) (5)
- [25]**

QUESTION 5

- 5.1 State FIVE goals that Risimati needs to take into consideration in a private business. (5)
- 5.2 Risimati must compile his marketing mix.
Which elements will he include in his description? (5)
- 5.3 Name SIX factors that will influence Risimati's decision on the location of his business enterprise. (6)
- 5.4 Name FOUR methods which Risimati could use to bring his product under the attention of potential buyers. (4)
- 5.5 Give FIVE reasons why budgets are important for managing small business enterprises like Risimati's. (5)
- [25]**

TOTAL: 100