



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE

INTRODUCTORY ENTREPRENEURSHIP N4

(4090294)

**26 May 2021 (X-paper)
09:00–11:00**

This question paper consists of 5 pages.

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

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. Start each question on a new page.
 5. Use only a black or blue pen.
 6. Write neatly and legibly.
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Read the scenario below and answer the questions.

How Stacy started her own travel business:

Stacy started her travel business after realising that the company she had been working at was never going to allow her to reach her potential. Her cousin joined her as a business partner and after just five years, they are having their best year yet selling more in the first quarter than they did all year.



'I had spent most of my career working with small telecommunications companies that had a niche offering. After seven years, I was essentially in the same position I had started in, with even the same title. I was making more money than when I had started but not nearly what I was worth. I asked my superiors for a road map. I wanted to know what it would take to get me to the next level in title, responsibility and salary. I never got the road map. But what I got was a harsh lesson. Sometimes, no matter how hard you work or how much you contribute, it may never be worthy of recognition.'

'It was at that point that I decided I no longer wanted to continue to invest a lot of time in a company that was not going to help me grow. I was tired of pushing myself and it never being enough. I was tired of not being valued. So, I gave three months' notice.'

'I started doing things, researched on the internet and talked about it with everyone. I signed up for classes. The most effective tool to growing my business is networking. Two weeks after I got home from training, I joined Business Networking International to acquire some skills. I have a trusted network of professionals that act as my sales force and are always sending me referrals and sales.'



'There were many nights with next to no sleep and lots of multitasking. But I knew that eventually I needed just 100% of myself into my business and know that this was what I was meant to do.'

QUESTION 1

1.1 Indicate whether the following statements are TRUE or FALSE by writing only 'True' or 'False' next to the question number (1.1.1–1.1.5) in the ANSWER BOOK.

1.1.1 Customers who buy in bulk receive quantity discount.

1.1.2 Gross profit equals sales less cost of sales.

1.1.3 Food is an example of durable goods.

1.1.4 A sole trader is a legal person.



1.1.5 An entrepreneur is a manager of a business.

(5 × 1)

(5)

- 1.2 Define the term *entrepreneur*. (4)
- 1.3 Explain FOUR basic tasks of a human resource practitioner. (4)
- 1.4 Give FOUR reasons for forming a partnership.  (4)
- 1.5 Calculate the cash discount of 5,25% on a sales amount of R30 000. (2)
- 1.6 What is the basic content of a financial plan? (6)
- [25]**

QUESTION 2

- 2.1 State the remuneration of each factor of production. (5)
- 2.2 Explain FIVE ways in which Stacy can improve creative thinking and initiative. (5)
- 2.3 Name the SEVEN steps that Stacy should follow when purchasing stock. (7)
- 2.4 Name THREE market-research methods Stacy can use to identify her target market.  (3)
- 2.5 Give FIVE reasons why Stacy's business can fail. (5)
- [25]**

QUESTION 3

- 3.1 List FOUR features that will determine the size of Stacy's target market. (4)
- 3.2 Stacy and her cousin are the winners in a National Entrepreneur of the Year competition. Their prize is R40 000 and they decide to invest R35 000 in a bank at 15% interest per annum for two years.
- Calculate the final amount at the end of two years.
- Formula: $I = \frac{P \times r \times t}{100}$ (5)
- 3.3 Stacy has 10 female and five male workers in her employment.
- What percentage of the staff is male?  (3)
- 3.4 List EIGHT factors that determine the form of ownership. (8)
- 3.5 List FIVE advertising media Stacy can use to promote her business. (5)
- [25]**

QUESTION 4

- | | | | |
|-----|---|---------|-------------|
| 4.1 | Name SIX sources of own capital. | | (6) |
| 4.2 | Differentiate between <i>fixed costs</i> and <i>variable costs</i> . | (2 + 2) | (4) |
| 4.3 | List THREE types of securities Stacy can give to obtain a loan from a bank. | | (3) |
| 4.4 | List FOUR types of insurable risks.  | | (4) |
| 4.5 | What is 37,5% of R15 500? | | (2) |
| 4.6 | Draw up a questionnaire with THREE questions that Stacy can use to find out what her customers like about her business. | (3 × 2) | (6) |
| | | | [25] |

QUESTION 5

- | | | | |
|---------------|--|---------|-------------|
| 5.1 | Calculate the number of days between 7 January 2018 and 31 July 2018. | | (3) |
| 5.2 | Stacy's net profit decreased by 10% in 2017, while her net profit for 2016 was R140 000. | | |
| | Calculate her net profit for 2017.  | | (4) |
| 5.3 | Explain each of the following abbreviations: | | |
| 5.3.1 | VAT | | |
| 5.3.2 | PAYE | | |
| 5.3.3 | UIF | | |
| | | (3 × 1) | (3) |
| 5.4 | Suggest FOUR ways in which Stacy can control the cash in her business. | | (5) |
| 5.5 | Give FIVE categories of needs with examples.  | (5 × 2) | (10) |
| | | | [25] |
| TOTAL: | | | 100 |