



SOUTH AFRICAN COMPREHENSIVE ASSESSMENT INSTITUTE
SUID-AFRIKAANSE KOMPREENSIEWE ASSESSERINGSINSTITUUT

Adult Basic Education and Training (ABET)

Summative Assessment

Small Medium and Micro Enterprises: NQF Level 1

Examination Session: June 2024

Total Marks: 100 Marks

Time: 3 Hours

Number of Pages: 17 Pages

Learner Information

Candidate Number

Centre

Date



EXAMINATION RULES FOR CANDIDATES

1. Candidates are bound in all matters relating to the examination to obey the instructions of the chief invigilator. The chief invigilator, where relevant, determines the dress code.
2. Candidates must be identified before they are permitted to write an examination. Identity documents must be produced when required. All candidates are to sign the attendance register.
3. Candidates will not be admitted to the examination room if they arrive an hour or more after the start of the examination. Candidates who have finished answering an examination paper within fifteen minutes of stopping time will not be allowed to leave the examination room, provided there are still candidates writing.
4. Candidates must occupy the places first allocated to them for the entire duration of the examination and for all other examination sessions, unless otherwise directed by the chief invigilator.
5. No explanation of examination questions may be asked or given by any person.
6. No candidate is allowed to leave the examination room within the first hour of the examination, except in an emergency and under supervision.
7. A candidate may only be allowed to leave the examination room in the case of an emergency or to go to the toilet, and in these cases, this must be done under supervision.
8. As soon as a candidate hands in his or her answer script, he or she must leave the examination room.
9. A candidate must carefully read and comply with the instructions, which appear in his or her question paper and the examination timetable.
10. A candidate is not allowed to assist another candidate or try to assist him or her or communicate with another candidate. Should this occur, it would constitute an irregularity. Invigilators are expressly forbidden from assisting candidates in the answering of questions.
11. All questions must be directed to the invigilator.
12. A candidate may not cause a disturbance in the examination room or behave in an improper or unseemly manner.
13. A candidate may not disregard the instructions of the invigilator or may not conduct themselves in a manner that conflicts with the instructions of the chief invigilator.
14. The following are not allowed next to the candidate in the examination room: suitcases, school bags, Walkmans, CD players, cellphones, books, dictionaries, notes, sketches, or paper other than the official examination material distributed by the chief invigilator. Slide-rules and non-programmable, silent calculators may be used, unless expressly prohibited in the question paper. Pens, erasers, rulers, etc. should be kept in transparent containers/bags. No borrowing is allowed. Wristwatch alarms must be switched off.
15. Candidates should be informed that the possession of notes constitutes an irregularity regardless of whether or not the notes are used. The excuse that a candidate has forgotten or was not aware that he or she has the unauthorised material listed in paragraph 14 in his or her possession will not be accepted.
16. No examination answer books (or part of an answer book), whether used or unused, may be removed from the examination room. Should this occur, it will be considered an irregularity and the candidate will receive NO credit for the examination. Should a candidate write the wrong subject or wrong grade of a subject, this will be a technical irregularity and will lead to the candidate's results being blocked/cancelled/delayed.
17. Should a candidate miss an examination due to illness, a valid doctor's certificate must be given to the chief invigilator. A Certificate will not be awarded to candidates who miss an examination.
18. Any candidate who disregards these rules or the instructions of the chief invigilator or his / her assistants, will have committed an offence in terms of the Regulations [Regulation 6 2(a) and (b)] or a contravention of the Rules [Rule 3(2)].

INSTRUCTIONS

- a) This question paper consists of **THREE** sections: SECTION A, B and C.
- b) All sections are **COMPULSORY**.
- c) Answer all questions.
- d) Calculators may be used.
- e) Answer all the questions in the space provided.
- f) Write in blue or black pen only.

SECTION A**Question 1**

- 1.1 Various options are given as possible answers to the following questions. Choose the answer and **ENCIRCLE** only the letter (A–D) next to the question numbers (1.1.1–1.1.10).
- 1.1.1 Which of the following business can be classified as a trading business?
- A Sinclair Attorneys and Associates
 - B Sunshine Spaza Shop
 - C Green Finger IT Services
 - D Silky Beauty Salon (2)
- 1.1.2 _____ refers to the gathering of information about customers' needs and preferences and how much they are prepared to spend.
- A Market
 - B Marketing strategy
 - C Market research
 - D Target market (2)
- 1.1.3 The name, logo, slogan, and contact details should be included in the _____ of a business plan.
- A Purchasing Plan
 - B Technical Plan
 - C SWOT Analysis
 - D Cover Page (2)

1.1.4 _____ is not classified as a business risk.

- A Competition
- B Natural disaster
- C Health and Safety
- D Failure of systems (2)

1.1.5 Which of the following is not a factor that causes the business environment to change?

- A Strikes
- B Secure finances
- C Economic reasons
- D New products (2)

1.1.6 _____ is one of the elements of a business plan.

- A Business idea
- B Monitoring
- C Executive summary
- D Entrepreneurship (2)

1.1.7 The purpose of advertising the business is to increase _____

- A the number of competitors.
- B the assets of the business.
- C the number of customers.
- D the liabilities of the business. (2)

- 1.1.8 _____ refers to being trustworthy to the customers.
- A Justice
 - B Fairness
 - C Honesty
 - D Honouring of contract (2)

- 1.1.9 One of the following is not a reason to adapt a business plan.
- A Binding parties to perform their responsibilities.
 - B Introducing a new product or service.
 - C Relocating a business from one place to another.
 - D Expanding the business. (2)

- 1.1.10 _____ is not one of the factors to be considered when screening business ideas.
- A Empowerment
 - B Market size
 - C Urbanization
 - D Quality of goods (2)

Total Marks for Question 1.1 [20]

1.2 Indicate whether the following statements are **TRUE or FALSE**. Choose the answer and write only 'true' or 'false'

1.2.1 Observation is a tool used to generate business ideas through watching or monitoring the situation.

(1)

1.2.2 Staff structure describes in detail the number of employees needed by the business.

(1)

1.2.3 Door-to-door surveys do not need more time to convince customers.

(1)

1.2.4 Amending the business plan is not necessary when responding to challenges that cause business failure.

(1)

1.2.5 The selling price is the price at which goods are sold by the retailer.

(1)

1.2.6 An unfriendly and impolite entrepreneur has more customers.

(1)

1.2.7 The cash-flow plan is part of market research.

(1)

1.2.8 Organogram is a diagram that shows the management structure of the organization and the ranks of employees.

(1)

1.2.9 Market size does not refer to number of the buyers or customers in a particular market.

(1)

1.2.10 Unemployment Insurance Fund is paid to employees who suffered injuries on duty.

(1)

Total Marks for Question 1.2

[10]

1.3 Choose a description from COLUMN B that matches statements in COLUMN A. Write only the letter (A–I) under the question number (1.3.1 – 1.3.5) in the table below.

COLUMN A		COLUMN B	
1.3.1	Details of how the businesses plan on how to advertise their products.	A	Empowerment (1)
1.3.2	Businesses that are involved in the making or producing of goods and services	B	Banks (1)
1.3.3	Can change the business environment negatively.	C	Marketing Plan (1)
1.3.4	These are examples of financial institutions.	D	Business implementation (1)
1.3.5	A checklist for the start-up of the business.	E	Manufacturer (1)
		F	Inflation
		G	Profit
		H	Viable business
		I	Business plan

Column A	1.3.1	1.3.2	1.3.3	1.3.4	1.3.5
Column B					

Total Marks for Question 1.3

[5]



- 1.4. Complete the following sentences by using the words given in the list below. Write only the word(s) next to the question number (1.4.1-1.4.5).

List of words to choose from:

cost per job, income statement, close corporation, net profit,
non-viable business, expenditure, private company, viable
business

- 1.4.1 A _____ is a business that cannot survive the rough times of economic changes. (1)
- 1.4.2 A _____ business that is owned and run by 1-10 members. (1)
- 1.4.3 The financial document which shows revenues and expenses for a particular period is called _____. (1)
- 1.4.4 _____ is the profit after the deductions. (1)
- 1.4.5 _____ refers to how much the business will pay for products or services. (1)

Total Marks for Question 1.4 [5]

Total Section A: 40 marks
SECTION B is on the next page.

SECTION B**Question 2**

Read the scenario below and answer the questions that follow.

JULIA BLANKET STORE

Julia Presley (age 35) is the owner of a blanket store downtown that buys and sells blankets in bulk. She is very proud that her customers can sleep warm every night. She indicated that her blankets are of a much higher quality. She gives her customers good service, and she is fair and transparent with them. She targets community members and businesses.

Julia carries out market research regularly by conducting interviews to keep up with changes in fashion and consumer preferences. She also checks on what competitors are doing and what the consumer market thinks of the business. Julia uses Twitter and Facebook to advertise her business. The business has employed four workers. Recently, the business has experienced an increase in customers and sales. While Mohsin Enterprise has entered the market by selling the same blankets at lower prices.

“It is time to grow my business, people all over the country come to buy blankets from me,” she indicated with a huge smile, but she also acknowledged that she needed financial help. “I have bills to pay such as water and electricity, paying rent and paying my employees can be a bit of a challenge.” She is concerned that if the workers start to strike or protest, she won’t know what to do to remedy the problem.

(Source: Own Creation)

- 2.1 Identify the type of business illustrated above. Motivate your answer by quoting from the scenario. (2)

- 2.2 Name any TWO business ethics that Julia’s business should adhere. (2)

2.3 Name the method used by Julia to conduct market research and discuss one benefit of this method. (3)

2.4 Identify the form of ownership of Julia's business from the scenario above. (1)

2.5 Give TWO forms of social media used by Julia to advertise the business. (2)

2.6 List TWO target markets for Julia's business. (2)

2.7 Discuss Julia's business using the following screening techniques:

2.7.1 Job creation (2)

2.7.2 Quality (2)



2.8 Refer to the case study to complete the following SWOT analysis for Julia Blanket Store. Develop a SWOT analysis according to the scenario.

2.8.1 Strength (1)

2.8.2 Weakness (1)

2.8.3 Opportunity (1)

2.8.4 Threat (1)



- 2.9 Julia has challenges in managing business finances. Briefly describe TWO ways in which a financial management system can assist Julia's business. (2)

- 2.10 Advise Julia on how strikes can affect the smooth running of the business. (2)

- 2.11 Julia asks you to assist her in calculating the projected income statement for her business.

The cost of one blanket is R750 and she plans to make a profit of 100% per blanket. She estimated that by the end of the month, she would sell at least 100 blankets. She provides you with the following additional information:

- Wages for four employees: R3 700
- Telephone: R800
- Water and electricity: R1 200
- Transport: R1 500
- Rent: R500
- Advertising: R900

Complete the following Projected Income Statement of Julia for One Month May 2023. Where indicated, please show your calculations in the Income Statement below. Use the above information.

PROJECTED INCOME STATEMENT OF JULIA BLANKET STORE FOR ONE MONTH MAY 2023		
INCOME		
SALES		
EXPENDITURE		
Wages		
Telephone		
Water and electricity		
Transport		
Rent		
Advertising		
NET PROFIT		

(16)**Total Marks for Question 2****[40]****Total for Section B: 40 Marks**

SECTION C

Question 3

3.1 Strikes pose significant threats to a business. Discuss TWO other risks that can affect the running of a business. (2)

3.2 Explain TWO reasons why a business plan is important. (2)

3.3 Outline the functions of the following systems in the business:

3.3.1 Reporting system. (2)

3.3.2 Monitoring system. (2)



3.4 State TWO reasons why an entrepreneur will decline a business idea. (2)

3.5 Briefly describe the difference between brainstorming and discussion. (2)

3.6 The marketing mix consists of 4 Ps. Discuss any TWO 4 Ps of the marketing mix. (4)

3.7 Advise on the environmental impact plan of the business plan. (4)



Total for Section C: 20 Marks

TOTAL MARKS: 100 MARKS

END OF THE EXAMINATION



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Section	Question	Maximum Mark	Learner's Mark	Moderated Mark
A	Question 1.1	20		
	Question 1.2	10		
	Question 1.3	5		
	Question 1.4	5		
	Total: A	40		
B	Question 2	40		
	Total: B	40		
C	Question 3	20		
	Total: C	20		

Grand Total (A + B + C)	100
Learner's Total (A + B + C)	
Percentage	
Final Grading	

Name and Surname of Marker

Name and Surname of Moderator

Date of Marking

Date of Moderation

Name and Surname of Umalusi
Official

Date of Marking
