



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: November 2023

Total Marks: 100 Marks

Time: 3 Hours

Number of Pages: 19 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, cell phones, 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
19. / 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

1. This question paper consists of **THREE** sections: SECTION A, B and C.
2. All sections are **COMPULSORY**.
3. Answer all questions.
4. Calculators may be used.
5. Answer all the questions in the space provided.
6. 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 Naspers Ltd is an example of a _____.

- A close corporation.
- B public company.
- C private company.
- D partnership. (2)

1.1.2 A technique used to screen the profitability of a business idea.

- A Market Size
- B Interview
- C Capital
- D Telephone (2)

1.1.3 Which ONE of the following could be regarded as an opportunity when preparing a SWOT analysis?

- A A good business concept which has been applied successfully.
- B The possibility of gaining more market share.
- C A large and loyal client base.
- D Insufficient cash to finance expansion. (2)

- 1.1.4 _____ costs do not change when sales and production volumes increase or decrease.
- A Overhead
 - B Fixed
 - C Variable
 - D Costs paid for VAT (2)

- 1.1.5 The following factor brings a change in the business environment.
- A Taste and preferences of customers
 - B Closing the business on time
 - C Investing the profits
 - D Developing a business plan (2)

- 1.1.6 Which ONE of the following is considered an element of the marketing mix?
- A Planning
 - B Leading
 - C Controlling
 - D Price (2)

- 1.1.7 _____ refers to giving away free products to customers and encouraging them to buy.
- A Selling
 - B Buying
 - C Promotion
 - D Distribution (2)

1.1.8 The purpose of presenting a business plan is to _____.

- A know more about customers.
- B raise capital.
- C meet competitors.
- D declare business hours. (2)

1.1.9 The _____ system helps the business to track its activities and reports on whether things are going according to plan.

- A reporting
- B human resource management
- C monitoring
- D financial management (2)

1.1.10 When a group of entrepreneurs meet to discuss new business ideas, this is called _____.

- A organising.
- B observation.
- C redressing.
- D brainstorming. (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 Personal needs can be used to generate business ideas.

(1)

1.2.2 A Vision Statement is a statement of what the business aims to achieve.

(1)

1.2.3 Potential profit does not refer to the profit the business will make.

(1)

1.2.4 Changing the business plan is necessary when responding to challenges that cause business failure.

(1)

1.2.5 Capital is the money that the owner withdraws from the business for personal use.

(1)

1.2.6 A good marketing plan gives an outline of how to sell your products.

(1)

1.2.7 A telephone survey is the most expensive method of gathering data.

(1)

1.2.8 A trademark is a unique symbol used to represent a business product.

(1)

1.2.9 A viable business idea will not make enough profit.

(1)

1.2.10 Tax is a compulsory payment by citizens of a country to the government.

(1)

Total Marks for Question 1.2

[10]

1.3 Choose a description from COLUMN A that matches a term in COLUMN B. 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 | A strategy that describes in detail how the business products and services will be manufactured. | A | Economic factor (1) |
| 1.3.2 | Refers to the standards for morally right and wrong conduct in the business. | B | Partnership (1) |
| 1.3.3 | A strategy used to decrease workforce for the business' financial benefit. | C | Production plan (1) |
| 1.3.4 | External risk of running a business. | D | Business ethics (1) |
| 1.3.5 | Gathering information from potential customers about what they need. | E | Retrenchment (1) |
| | | F | Market research |
| | | G | Logo |
| | | H | Time management |
| | | I | Body language |

| 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 word(s) provided in the list below. Write only the correct word(s) next to the question number (1.4.1-1.4.5)

List of words to choose from:

discussion, environmental impact plan, observation, market, Gantt chart, title page, SWOT analysis, interview, office park

- 1.4.1 A/An _____ is a research method used by (1) entrepreneurs when conducting market research.
- 1.4.2 A/An _____ is a place where buyers and (1) sellers meet to facilitate business transactions.
- 1.4.3 The _____ outlines how the (1) business will impact the surroundings positively or negatively.
- 1.4.4 The _____ provides information that could (1) help the business to achieve its goals.
- 1.4.5 A/An _____ is when two or more (1) people talk about something to reach an agreement or decide.

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 below.

RACHAEL HAIR SALON

Rachael is a successful entrepreneur who opened her new hair salon last year. She had been working as a hairstylist for more than 15 years. She saved R25 000 from her previous employment to set up her business. The money was used to buy furniture, hair equipment and hair products. She makes sure that her customers' hair is done properly. Through perseverance and hard work, her business managed to be successful. She desires to open another hair salon in town.

She targets youth in her community, and people working in town, and she also has customers that support her from other areas. She managed to get people to support her business by advertising through the Internet and handing out flyers. She employed two workers Simon and Thandi to assist her in the salon. She is not happy with the work ethic of her workers, because they take long lunch hours and customers must wait for them which leaves customers frustrated and shouting. They are also always on the business phone, talking to their family and friends. The business does not have a monitoring system in place. However, the salon does comply with the Occupational Health and Safety Act.

The hair salon generates an income of approximately R20 000 a month and she also receives R2 000 for rent per month. She opened a savings account for the business with R6 000 which earns 10% interest on the savings account every month. Her expenses include water and electricity of R1 000 per month, she pays her workers a salary of R3 000 per month each, she pays R1 000 for Transport per month, R700 for insurance per month and R4 000 for hair products per month. She has a minor concern about a competitor that operates in the area "Thabo Hair Salon".

2.1 Identify the type of business is Rachael running. (1)

2.2 Name the form of ownership for Rachael's business. (1)

2.3 List TWO target markets for Rachel's business. (2)

2.4 Discuss TWO behaviours that could negatively affect the profit of the business. (4)

2.5 Discuss TWO characteristics which make Rachael a successful entrepreneur. (4)



2.6 Mention TWO methods used by Rachael to advertise her business. (2)

2.7 State the role Racheal played in creating jobs. Motivate your answer by quoting from the scenario. (2)

2.8 Develop a SWOT analysis for Rachael's business:
Use the scenario to answer the questions below.

2.8.1 Identify a strength. (1)

2.8.2 Identify a weakness. (1)

2.8.3 Identify an opportunity. (1)



2.8.4 Identify a threat. (1)

2.9 Advise Rachael on how she can implement a monitoring system in her business. (2)

2.10 Explain the reasons why Rachael adhered to the legal requirement. (2)



- 2.11 Complete the following Income Statement of Rachael's Hair Salon for January 2023. Where indicated, please show your calculations in the Income Statement below. Use the information from the case study. (16)

| INCOME STATEMENT OF RACHAEL HAIR SALON FOR JANUARY 2023 | | |
|--|--|--|
| INCOME | | |
| Sales | | |
| Rent income | | |
| Interest | | |
| EXPENDITURE | | |
| Water and Electricity | | |
| Salaries | | |
| Hair products | | |
| Transport | | |
| Insurance | | |
| NET PROFIT | | |

(16)

Total Marks for Question 2

[40]

Total Section B: 40 Marks
SECTION C is on the next page.

SECTION C

QUESTION 3

3.1 Differentiate between internal and external business environments. (2)

3.2 Explain the importance of including cash projections in the business plan. (2)

3.3 Suggest TWO reasons why the Human Resource Management System is necessary for a growing business. (2)



3.4 A colleague said interviews and questionnaires are the same. This is incorrect. Explain the difference between these research methods. (4)

3.5 Discuss TWO impacts of tax increases on businesses. (4)

3.6 Outline the functions of the following presentation skills:

3.6.1 PowerPoint presentation (1)



3.6.2 Oral presentation (1)

3.7 Justify, with TWO reasons, for the need for the material purchasing plan. (4)

Total Marks for Question 3 [20]

Total Section C: 20 Marks
TOTAL MARKS: 100
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

