



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 2024

Total Marks: 100 Marks

Time: 3 Hours

Number of Pages: 18 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 document 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 / 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 Which of the following is NOT a characteristic of a successful entrepreneur?
- A Ability to manage risk
 - B Ability to identify opportunities
 - C Ability to make informed decisions
 - D Ability to waste time (2)
- 1.1.2 _____ is a method an entrepreneur could use in generating any business idea.
- A Empowerment
 - B Brainstorming
 - C Techniques
 - D Internet (2)
- 1.1.3 The following is a weakness when evaluating a business using a SWOT analysis.
- A Strong financial position
 - B Use of outdated machinery
 - C New markets open up to sell products
 - D Use of a skilled workforce (2)

- 1.1.4 A beauty spa that does not have fire prevention measures, is not complying with which legal requirement?
- A Employment contract
 - B UIF
 - C Health and Safety
 - D PAYE
- (2)
- 1.1.5 The system that controls the credit of customers is called the _____.
- A human resource management system
 - B monitoring system
 - C financial management system
 - D reporting system
- (2)
- 1.1.6 The difference between the selling price and cost price is the _____ made by the business.
- A stock
 - B sales
 - C net profit
 - D gross profit
- (2)
- 1.1.7 Costs that change according to production output are called _____.
- A fixed costs
 - B variable costs
 - C market demand
 - D mark-up price
- (2)

- 1.1.8 Which ONE of the following is an example of social responsibility by an entrepreneur towards the community?
- A Urbanising the area
 - B Empowering staff
 - C Sponsoring community events
 - D Providing food for the poor (2)
- 1.1.9 Prices of certain goods or services include a tax called _____.
- A SARS.
 - B VAT.
 - C income tax.
 - D revenue. (2)
- 1.1.10 The ability to use tempo and tone when presenting a business plan to investors is an example of a good _____ skill.
- A communication
 - B technical
 - C writing
 - D problem-solving (2)

Total Marks for Question 1.1

[20]

1.2 Indicate whether the following statements are **TRUE or FALSE**. Choose the correct answer and write only 'true' or 'false' next to the question number 1.2.1-1.2.10.

1.2.1 Screening a business idea is a waste of time for entrepreneurs.

(1)

1.2.2 The process of auditing is checking the financial statements of the business.

(1)

1.2.3 Market research methods are used to research potential business opportunities.

(1)

1.2.4 Natural disasters are risks that business has no control over them.

(1)

1.2.5 A skill that is important when presenting a business plan is the ability to answer questions.

(1)

1.2.6 An entrepreneur should create wealth in the community that he/she operates in.

(1)

1.2.7 A viable business is a bankrupt business.

(1)

1.2.8 The title page of the business plan helps the reader to find the page number of the content.

(1)

1.2.9 When a group of entrepreneurs meet regularly to discuss new business ideas, the process is called a discussion.

(1)

1.2.10 Stealing of products in any business entity does not have a negative impact on profitability.

(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	The component of the business plan that outlines how the business will advertise the products/services.	A	Taste and preferences (1)
1.3.2	A form of ownership that consists of a maximum of ten members.	B	Public Company (1)
1.3.3	Factors that bring change in a business environment.	C	Marketing Plan (1)
1.3.4	Aspect to consider before starting a business.	D	SWOT analysis (1)
1.3.5	Analysing the strengths and weaknesses of the business.	E	Close corporation (1)
		F	Suitable location
		G	Running cost
		H	Viable business
		I	Supplier

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 price, service, code of conduct, business plan,
workshop, potential profit, non-viable business, monitoring
system, consulting

- 1.4.1 _____ is a business that does not have (1)
chances of growth.
- 1.4.2 Car washes and graphic designers are examples of a (1)
_____ business.
- 1.4.3 To access funds from potential investors the entrepreneur must (1)
present a _____.
- 1.4.4 _____ is the total amount that the (1)
manufacturer pays to produce goods and services.
- 1.4.5 A technique used to screen the viability of a business idea is called (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 case study below and answer the questions below:

SUNSHINE HAIRDRESSER

Ms Jabulile Gwebu started her hair salon business in 2010. She generated the business idea through observation. Her willingness to face new challenges and persistence made her a good entrepreneur. The business targets parents and guardians of children at the primary school and daycare centre next to her business premises.

The business offers a variety of services such as doing hair and nails. Many of her hair clients support the nail care business because they can do both their hair and nails at the same time. The rapid growth in the business resulted in Jabulile employing three workers to help her with the salon. The workers were trained in nail products, and she took them for a training course.

During winter months the business is not as profitable, because most of her clients do not wear sandals, and they do not get their toenails done. She advertised her business using social media and also distributed flyers at the nearby primary school and daycare centre to attract more customers. From August to December, she can almost double her monthly income because of Matric Farewell parties, weddings and year-end functions at different companies. She normally makes only half of her income during January and February, because people have spent too much money over Christmas and New Year.

(Source: Own Creation)

2.1 Name the type of business outlined in the case study. (2)

2.2 State TWO of Jabulile's characteristics that make her a successful entrepreneur. (2)

2.3 Mention TWO sources of the target market for Sunshine Hairdresser. (2)

2.4 Provide the form of ownership for Jabulile’s business. (2)

2.5 Identify TWO marketing methods used to advertise the business. (2)

2.6 List the method used to generate the business idea. (2)

2.7 Quote statements from the case study that support the following screening techniques:

2.7.1 Job creation (2)



2.7.2 Empowerment

(2)

2.8 Analyse Jabulile’s business using the following criteria. Provide ONE explanation for each:

2.8.1 Strength

(2)

2.8.2 Weakness

(2)

2.9 Advise Jabulile on how she can improve her profit during difficult times.

(2)

2.10 Give any TWO legal requirements that the business must comply with for the benefit of covering her three workers.

(2)



2.11 Calculate the missing amounts in the cash flow statement for June – August 2023. Write the correct answer in the spaces provided.

Cash coming to the business	JUNE	JULY	AUGUST
Cash coming into the business	R15 000		R53 500
		(2)	
Sales	R25 000	R10 000	R10 000
Rent income	R5 000	R5 000	R5 000
Total income		R56 000	
	(2)		(2)
Cash going out of the business	JUNE	JULY	AUGUST
Fixed costs	R1 000		R 1 000
		(2)	
Variable costs	R3 000	R1 500	R900
Total cash outflow		R2 500	
	(2)		(2)
Balance at the end of the month	R41 000		
		(2)	(2)

(16)

Total Marks for Question 2

[40]

Total for Section B: 40 Marks

SECTION C

Question 3

3.1 Describe why an increase in VAT will have a negative impact on the economy. (2)

3.2 Discuss TWO reasons why a business should prepare and present a formal business plan. (2)

3.3 Determine how change in the business environment can have a positive effect. Provide TWO effects. (4)

- 3.4 Differentiate between door-to-door surveys and interviews as research methods. (2)

Use the table below as a guide to answer Question 3.4.

Door-to-door survey	Interview survey

- 3.5 Explain the importance of market size when screening a business idea. (2)

- 3.6 Discuss TWO functions of the financial plan that assist the business. (4)

3.7 A group of entrepreneurs started a project which is relatively new in the community. To ensure that their product is marketed effectively, they had to develop a marketing plan to attract more customers. Briefly discuss how they can develop the marketing plan under the following headings:

3.7.1 Product (2)

3.7.2 Promotion (2)

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

Date of Marking

Name and Surname of Moderator

Date of Moderation

Name and Surname of
Umalusi Official

Date of Marking
