



PAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY
CENTRE FOR ENTERPRISE DEVELOPMENT

COMMERCIAL ADVANCEMENT TRAINING SCHEME

QUALIFICATION: Diploma In Business Process Management	
QUALIFICATION CODE: 06DBPM	LEVEL: 6
COURSE: Introduction to Business Management	COURSE CODE: IBM511C
DATE: November 2019	SESSION: 1
DURATION: 3 Hours	MARKS: 100

SECOND OPPORTUNITY QUESTION PAPER

EXAMINER: Ms. O.N Kangandjo

MODERATOR: Ms. J Hambabi

INSTRUCTIONS

4. Answer **all questions** in the examination booklet provided.
5. Number your answers clearly
6. Please ensure that your writing is legible, neat and presentable.

PERMISSIBLE MATERIALS

2. Calculator.

**THIS EXAMINATION PAPER PAPER CONSISTS OF (2) SECTIONS
AND (8) PAGES (INCLUDING THIS FRONT PAGE)**

SECTION A

Question 1

[20 x 2 = 40 marks]

Multiple choice questions from 1 – 20. Shade or Cross in the appropriate box on the Answer Sheet provided for this question. The answer sheet is attached on page 8 of this question paper. Please submit your answer sheet with your examination booklet.

Indicate your answers next to each corresponding number on the Answer Sheet provided

1.1 A business's effort to provide the greatest possible need satisfaction with limited available resources is known as _____

- a. need satisfaction.
- b. productivity.
- c. rate of return on total capital.
- d. the economic principle.

1.2 As an economic system, a free-market economy is characterised by which of the following attributes?

- a. private ownership of production factors
- b. free competition
- c. profit motive recognised
- d. limited right to strike in state enterprises

- a. a, b
- b. b, d
- c. a, b, c
- d. a, b, c, d

1.3 Izel Jooste recently decided on a form of ownership for the preschool business she intends starting in Khomasdal. The form of ownership she has chosen means that her business will have a separate legal personality and will be created by the registration of a founding statement.

The type of business chosen by Izel is known as a _____.

- a. close corporation
- b. partnership
- c. business trust
- d. private company

1.4 At the break-even point, profit made is

- a. -0
- b. N\$60 000

- c. All of the above
 - d. None of the above
- 1.5 The HIV/Aids pandemic as experienced in sub-Saharan Africa is a variable in the _____ environment, which forms part of the _____ environment, over which managers in an organisation have _____ control.
- a. physical; market; indirect
 - b. social; market; direct
 - c. politico-governmental; macro; no
 - d. social; macro; no
- 1.6 are the economic resources with the potential to provide future economic benefits for the firm.
- a. Revenues
 - b. Expenses
 - c. Liabilities
 - d. Assets
- 1.7 Garases Printing prints wedding invitations on recycled paper. The business was started when the two sisters, Lisbeth and Lucinda Garases, were involved in the planning of one of their friend's weddings. They are both liable for Garases Printing's losses and are also jointly in control of the business. Since Garases Printing is not a tax payer, Lisbeth and Lucinda are responsible for the tax on their own portion of the income. What form of enterprise is Garases Printing?
- a. Sole proprietorship
 - b. Partnership
 - c. Close Corporation
 - d. Company
- 1.8 Which two of the following statements are correct?
- a. The higher the management level, the more interpersonal skills are required.
 - b. Top management requires more technical skill than lower management.
 - c. Lower management requires more technical skill than top management.
 - d. Conceptual skill is the mental ability of a manager to view a business in its individual parts.
 - e. The ability to use knowledge of a particular discipline is known as technical skills.
- a. a b e
 - b. b c
 - c. a d

d. c e

1.9 What marks the key difference between economic systems?

- a. the way they manage the factors of production
- b. the way basic necessities are determined
- c. the way rules and regulations are legislated
- d. the way workers are relocated to different regions

1.10 Which description identifies the organizing function of the management process?

- a. guiding and motivating employees to meet organizational objectives
- b. determining how best to arrange an organization's resources into a coherent structure
- c. determining what an organization needs to do and how best to get it done
- d. monitoring an organization's performance to ensure that it is meeting its goals

1.11 The acquisition of funds is known as _____

- a. financing
- b. financial management
- c. investment
- d. discounting

1.12 The _____ reflects the financial performance of the business over a specified period of time.

- a. Asset structure
- b. Balance sheet
- c. Income statement
- d. Asset side

1.13 Which one of the following options from the income statement correctly completes the following statement?

Sales less _____ is gross profit

- a. Returns and cash discount
- b. Costs of goods sold
- c. Operating costs
- d. Interest

1.14 Which of the following is a consequence of purchasing poor quality material?

- a. expose workers to danger
- b. alters the perception that customers have of the business and its products
- c. all of the above
- d. none of the above.

- 1.15 The following factors influence consumer behaviour, except:
- Social factors
 - Technological factors
 - Personal factors
 - Cultural factors
- 1.16 Karises (Pty) Ltd is a big business in Otjiwarongo that makes "Karis" toothpastes, what is "Karis" to Karises (Pty) Ltd?
- A target market
 - A Market Segment
 - A brand name
 - All of the above
- 1.17 The external Environment:
- Is difficult to separate from the organization's internal environment
 - Is that portion of the environment that is controlled by top management
 - Is the organization's hierarchical structure
 - Lies outside of the formal boundaries of an organization
- 1.18 Which of the following definition can be ascribed to a public company
- it must at least have 2 - 50 shareholders
 - an enterprise not allowed by law to publish financial statements
 - all of the above
 - none of the above
- 1.19 A statement most consistent with the philosophy of the marketing concept would say that the key to success is
- innovative product development
 - a persuasive sales force
 - an experienced team of marketing managers
 - customer satisfaction
- 1.20 Jane and Henry are debating who all their potential customers are, who share the need for their product and are willing and able to buy it. Jane and Henry are debating:
- A definition of customer value
 - customer satisfaction.
 - who their market is
 - what constitutes an exchange

Question 2

Indicate whether the following statements are True or False in the examination booklet provided. **[1 x 10 = 10 marks]**

No.	Statement
2.1	A financial lease is a long term loan.
2.2	Supply chain management is concerned with the choice of suppliers.
2.3	A job specification describes the nature of the work and the performance expected from the employee.
2.4	Capital is the amount that each shareholder receives from the share of profit.
2.5	The government does not in any way intervene in any of the three economic systems.
2.6	A partnership has a minimum of 50 shareholders.
2.7	Another name for the micro-environment is the "Decision-Making Environment".
2.8	Total quality is concerned with improving products and services outside the business and thereby satisfying the customers' needs.
2.9	Is it true or false that Technology Advancement can result in laying off and/or reduction in the workforce?
2.10	Boois was caught in the rain and had no choice but to buy an umbrella. In this case an umbrella is an example of an impulse product.
TOTAL	10 MARKS

SECTION B

Question 3

[30 Marks]

- 3.1 Choosing the right form of ownership is of importance to any entrepreneur. In a tabular format advise John on the differences between Close Corporations and Private Companies. (10)
- 3.2 As a student of NUST, you intend to set up your own franchise after graduating from the university, what would motivate you to set up a business of such nature? Explain any five points. (10)
- 3.3 What marketing mix would you suggest for the launch of a new perfume targeted at the luxury end of the cosmetic market? (10)

Question 4

[20 Marks]

(This question requires that you show all your workings in order to get full marks)

- 4.1 Calculate the solvency ratios from the following financial statement extracts. (10)

Sales	45 000	<u>Current Assets</u>	
Cost of sales	<u>5 000</u>	Inventories	125
Gross profit	40 000	Debtors	250
		Cash	225
		<u>Current Liabilities</u>	
Land and building	120 000	Trade Creditors	200
Long term loan	3 000		
Capital	50 000		
Net profit	30 000		

- 4.2 If you deposit \$40,000 in an account that pays an annual interest rate of 16% compounded quarterly, what will your account balance be in 15 years if you make no withdrawals? (5)
- 4.3 Company DEF wants to buy a machine that produces t-shirts. The selling price per t-shirt will be N\$10. The cost of production will be as follows:
- Fixed costs of N\$15,000 and a per unit cost of N\$4.
- (a) Calculate the break even point in units. (5)

SURNAME & INITIAL: _____

STUDENT NUMBER: _____

Question 1 (ANSWER SHEET – Cross in the appropriate box) (2 x 20 = 40)

NB: THIS ANSWER SHEET SHOULD BE SUBMITTED WITH YOUR ANSWER BOOK.

NO	a	b	c	d
1.1				
1.2				
1.3				
1.4				
1.5				
1.6				
1.7				
1.8				
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1.19				
1.20				
TOTAL MARKS			20 X 2 = 40	