



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

FIRST 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 Mary owns a children's playground and party venue in Katutura. She has invested a lot of his personal savings to get his new business called Kids and Things, under way. She is aware that there are a lot of controllable and uncontrollable aspects to her business. Which of the following descriptions is relevant to the micro-environment for Mary's Kids and Things in Katutura?
- a. Mary's suppliers include Sea Breeze, which supplies fresh and frozen foods.
 - b. Mary has to compete with other playgrounds and party venues in the area, all of which are privately owned.
 - c. Mary needs to be aware that there is an imminent increase in petrol which might influence her business directly.
 - d. Mary has set a clear vision and objectives for Kids and Things.
- 1.2. Resources are of extreme importance to any business. For Mary's Kids and Things, it is no different. Resources make part of the _____environment. The kitchen area, playground area, the food and beverages required for her customers, as well the property on which Kids and Things is established, makes part of the _____resources .
- a. micro ; social
 - b. market ; intellectual
 - c. micro ; tangible
 - d. macro ; intangible
- 1.3 Mary has been very aware of the number of orphanages in the Katutura area. The increase in the number of children in orphanages is due to the prevalence of HIV and Aids in this region of the country. Mary lost her parents at an early age and grew up with relatives. Mary knew that she would want to give back to the community when she started her own business. She has decided to have several events for children in orphanages throughout the year at Kids and Things. Mary is responding to change in the _____ environment.
- a. Economical
 - b. Social
 - c. Physical
 - d. technological

- 1.4 Ease of creation ("start-up"), owner has total managerial control and Owner retains profits. These are advantages of the _____
- Sole proprietorship
 - Partnership
 - Close Corporation
 - Company
- 1.5 Justine is writing a business plan for "Beds for Africa". She is busy with the marketing plan and she needs to know what the marketing plan sets out to achieve. Help her complete the following. The marketing plan _____
- Explains the history of the company and the legal organisation
 - Determines the key players in the business such as investors and the management team, while also stating their experience and competencies
 - Describes the facilities and the labour to be used, raw materials, and processing requirements
 - Identifies the customers and the competitors
- 1.6 In developing alternative plans during the planning process, management will constantly bear which of the following facets in mind?
- external factors
 - strong and weak points
 - rational decision making
 - strategic planning
- a b
 - b d
 - a b c
 - b c d
- 1.7 Nedbank's "green" investment includes ad hoc donations and support for disaster and humanitarian relief. A budget is allocated to address welfare issues and is purely an outreach response to day-to-day requests for donations and disaster relief. Nedbank's commitment to invest its profits in community-based projects is an example of the company being involved in_____.
- corporate citizenship
 - corporate social investment
 - the triple bottom line
 - corporate scandals
- 1.8 Namibia Office Supplies is a large scale organisation supplying stationery and other office supplies to businesses all over Namibia. In order to motivate employees

Namibia Office Supplies offers performance incentives that are based on the individual's performance.

Namibia Office Supplies therefore uses _____ power to motivate their employees.

- a. coercive
- b. legitimate
- c. referent
- d. reward

1.9. The CEO of Namibia Office Supplies, has _____ power and has the right to insist that employees do their work and the right to discipline or dismiss if they fail to comply.

- a. coercive
- b. expert
- c. referent
- d. legitimate

1.10. "Work maturity of employees determines the best leadership style for a particular situation". To which leadership theory does this refer to?

- a. Trait theory
- b. Contingency theory
- c. Behavioural theory
- d. Situational leadership model

1.11 Human resource planning involves the following:

- a. identifying the work done in the business at present
- b. selecting a suitably qualified candidate
- c. identifying the type of employees needed to do the work
- d. all of the above

1.12 Which of the following managers depend most on interpersonal skills?

- a. first-line managers
- b. Top managers
- c. Middle managers
- d. all of the above

1.13 Products and services can be sold in the following markets, except;

- a. Consumer markets
- b. Institutional markets
- c. Seller markets
- d. Government markets

- 1.14 What form of business ownership has two or more owners who share in the operation of the firm and are financially responsible for its debts?
- companies
 - partnership
 - cooperative
 - conglomerate
- 1.15 A business plan is a plan of action that sets out every imaginable aspect of the planned establishment of the enterprise. This plan should be able to answer the following questions:
- where does the entrepreneur aim to start the business?
 - how does the entrepreneur aim to start the business?
 - why does the entrepreneur believe that the business will be successful?
 - all of the above.
- 1.16 Which of the following statements about socialism is true?
- There is minimum state interference in markets
 - The state owns and controls the principal industries such as communication, health services and transportation.
 - People with businesses are free to use their resources as they choose.
 - The state assumes complete responsibility for the production and distribution of products
- 1.17. From a psychological perspective, an entrepreneur exhibits certain characteristics, one of which is a need for achievement. With regard to the need for achievement, which one of the following statements is false?
- A person with a high need for achievement will work single-mindedly towards his/her goal with the determination to win.
 - A person with a high need for achievement is attracted to jobs that challenge his/her skills and problem-solving abilities.
 - A person with a high need for achievement pursues goals that he/she thinks will be almost impossible to achieve.
 - A person with a high need for achievement prefers tasks in which the outcome depends upon his/her individual efforts.
- 1.18 The _____ reflects all the possessions and liabilities of the business, together with their respective values at a specified date.
- Asset structure
 - statement of financial position
 - statement of financial performance

d. Asset side

1.19 The following are elements of a marketing mix, except

- a. Promotion
- b. Premium
- c. Price
- d. Place

1.20 The process whereby new employees are informed, among other things, of the business's policy, procedures, remuneration and incentive schemes is referred to as

- a. employment
- b. induction
- c. development
- d. training

Question 2

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

No	Question
2.1	In jobbing production processes, production take place on a large scale with high volume of output.
2.2	An example of semi-variable cost is sales commission.
2.3	The result of compounding is a present value of a future amount.
2.4	Middle management need more technical skill than lower management.
2.5	Factoring of a debt is a means of financing done by allowing the creditors, or banks to assist with the financial needs of the business through loans.
2.6	A franchisor pays royalties to a franchisee in a franchise system.
2.7	A partnership has a legal personality.
2.8	Marketing mix refers to the total products that the business offers to its customers.
2.9	The use of a new idea to develop a better product, service, process or technique is known as creativity.
2.10	Human resources function contributes to organisational effectiveness by managing change.
TOTAL 10 marks	

SECTION B

Question 3

[32 Marks]

- 3.1 The Production and Operations Management function is responsible for the manufacturing of the finished products and services that are going to be sold. Identify the five main types of production processes. (10)
- 3.2 Explain how one would go about segmenting a market for a product such as clothing. (10)
- 3.3 In an attempt to analyse a company's competitive position within its industry, Michael Porter developed a competitive five forces model that a business can use to assess the intensity of competition within its industry. You are required to draw Porter's five forces competitive model. (12)

Question 4

[18 Marks]

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

- 4.1 Your grandfather wants an amount of N\$80 000 to be paid to you (his grandchild) in the year 2035. How much should he put this year (2019) into a special trust earning 12% interest compounded annually? (7)
- 4.2 Study the information of the following two firms and answer the questions.

Information from the Statement of Financial Performance as at 31 March 2018

	Firm A	Firm B
Current Assets	30 000	90 000
Stock	20 000	10 000
Debtors	3 000	50 000
Accrued Income	2 000	5 000
Bank	5 000	25 000
Current Liabilities	60 000	40 000
Creditors	55 000	35 000
Accrued Expenses	5 000	5 000
Fixed Assets	150 000	250 000

- a) Calculate the acid test ratios of both firm A and B. (6)

- 4.3 A firm that produces car components has a fixed cost of N\$40 000 per month and variable costs of N\$24 per component. It sells the product at the price of N\$44 per component, regardless of the number of units sold. Find 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				
1.9				
1.10				
1.11				
1.12				
1.13				
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1.16				
1.17				
1.18				
1.19				
1.20				
TOTAL MARKS	20 X 2 = 40			