



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: BMI511C
DATE: November 2018	SESSION: 1
DURATION: 2 Hours	MARKS: 100

SECOND OPPORTUNITY QUESTION PAPER

EXAMINER: Ms. E Olivier

MODERATOR: Mr. B Zealand

INSTRUCTIONS

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

PERMISSIBLE MATERIALS

1. Calculator.

THIS EXAMINATION PAPER CONSISTS OF (3) SECTIONS AND (5) PAGES (INCLUDING THIS FRONT PAGE)

SECTION A

QUESTION 1

[10 x 2 = 20 Marks]

Choose the correct option and indicate your choice (A-D) next to the appropriate number in the examination book provided. For example 1. B.

- 1.1 There are several economic systems in the world. The country of Utopia allows and encourages all members of the community to possess houses and to earn profits on them by renting the houses out to overseas tourists. Clothing and food are allocated based on free market demand and is not controlled by the government. All residents of Utopia are allowed to choose which careers they want to follow. Which economic system does Utopia use?
- A. Command economy
 - B. Socialism
 - C. Free-market economy
 - D. Communism
- 1.2 A business's effort to provide the greatest possible need satisfaction with limited available resources is known as _____
- A. need satisfaction.
 - B. the economic principle.
 - C. productivity.
 - D. rate of return on total capital.
- 1.3 What is a viable business idea?
- A. An idea that can be transformed into a profitable business.
 - B. An idea that is practical.
 - C. An idea that is difficult to apply.
 - D. An idea that is easy to apply.
- 1.4 Smart Designs is a sole proprietorship. Smart Designs is a graphic design company started by a student named Thandi. Which one of the following statements regarding a sole proprietorship is true?
- A. Smart Designs is liable for debts and liabilities.
 - B. Smart Designs was created by means of a founding statement.
 - C. Should Thandi wish to transfer ownership of Smart Designs, it will be done by means of free transfer of shares.
 - D. Smart Designs' lifespan is directly linked to Thandi's lifespan.
- 1.5 The business plan consists of several items. Which one of the following descriptions matches that of the marketing plan?
- A. It identifies the customers and competitors.
 - B. It gives an overview of the business plan and highlights the significant points of the entire business plan.
 - C. It describes the facilities and the labour to be used, raw materials and processing requirements.
 - D. It explains the history of the company, the type of business and legal organisation.

- 1.6 Lorraine has just completed her degree in Business Management at NUST and has opened a new photography studio that sells cameras and equipment, develops photos and gives classes on the art of photography.
When Lorraine deals with clients, she requires _____ skills and when she is busy developing photos, she requires _____ skills.
- A. Conceptual, informational
 - B. Interpersonal; conceptual
 - C. Interpersonal; technical
 - D. Informational; technical
- 1.7 Which one of the following does not form part of the information role of managers?
- A. monitoring
 - B. spokesperson
 - C. disseminating
 - D. troubleshooter
- 1.8 Rank the basic management functions managers perform running a business in the correct order.
- a. organizing
 - b. planning
 - c. leading
 - d. control
- A. b, a, c, d
 - B. b, c, d, a
 - C. c, a, b, d
 - D. d, a, b, c
- 1.9 Nictus has decided to sell their Samsung 43 inch plasma televisions at a low-priced special in the hope that consumers will also purchase other products when they visit the store to buy the special. This refers to:
- A. Skimming prices
 - B. Market penetration prices
 - C. A market-price level
 - D. Leader prices
- 1.10 You are the human resources manager of Success Portfolio Ltd. You have decided to do your recruitment for the position of a financial analyst by means of head-hunting. This means that you will have to recruit by ...
- A. offering the job to someone whom the management of Success Portfolio Ltd knows professionally.
 - B. placing an advertisement in the local newspaper.
 - C. visiting schools and universities to find prospective applicants.
 - D. placing an advertisement on the internet.

SECTION B

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	In jobbing production processes, production takes place on a large scale with high volume of output.
2.2	Companies are subject to much more legal prescriptions than any other form of enterprise.
2.3	A financial lease is a long-term loan.
2.4	Intermediaries are bridging the gap between manufacturers and consumers.
2.5	The process of deciding what the responsibilities and tasks of a specific job are is known as job specification.
2.6	Is it true or false that Technology Advancement can result in laying off and/or reduction in the workforce.?
2.7	Spur Stake Ranch gives an "employee of the month" award to one of its restaurant crew every month. Tabitha is working hard to achieve the title of "employee of the month" for the month of September. If she wins the award, she will satisfy her esteem needs.
2.8	When a manager is allocating some resources in the organisation, he is playing the decisional role.
2.9	The product offering of a business may comprise of a single product item or a number of product items and product ranges.
2.10	The entrepreneur makes impulsive decisions.

SECTION C

Question 3

(Show all your workings in order to get full marks)

Extract from statement of financial position as at 31 December 2015	
Cash and cash equivalent	N\$15 000
Debtors or receivables	N\$250 000
Inventories	N\$420 000
Creditors	N\$120 000
Accruals	N\$280 000
Long-term Investment	N\$214 902

3.1 From the above financial statement information calculate the **liquidity ratios**. (10)

3.2 The statement of financial position (balance sheet) ending 31 December 2015 noted long term investments of N\$214 902. Determine the original investment amount if interest is earned at a rate of 12% compounded semi-annually and the investment was made on 1 January 2011. (8)

3.3 SS Packaging Ltd has the following data for the month of July:

Selling price per unit	N\$200
Variable cost per unit	N\$50
Total fixed cost	N\$300 000
Expected sales (units)	5 000

Find the break-even point in units. (5)

3.4 Capital employed in SlowGrowth Ltd consists of long-term bank loans and shareholders' funds. The debt ratio is 58% and SlowGrowth asks the bank to give another long-term loan.

- What formula is used to calculate the debt ratio? (2)
- Give **two** reasons why a bank might decline to advance a loan to SlowGrowth. (2)

Question 4

4. Explain the five different manufacturing production methods and give an example of a product that can be produced with each production method. (15)

Question 5

Jackson is a computer programmer who works for himself. His computer has been giving him problems lately. When it switches off on its own again while he is working, Jackson decides that he has enough money to buy a new computer. He phones different computer businesses and visits a few of them (including Incredible Connection, Hi Fi Corporation and Game) to find out about the different makes, features and prices of computers in order to find one that will suit his needs. He reviews all the information that he has collected and in the end decides to buy a Dell computer from Incredible Connection. He buys the computer and when he has worked on it for a while; he starts to wonder if he should not have bought an Acer computer instead.

5. The consumer decision-making process consists of five phases. Describe these five phases – incorporate evidence from the above scenario. (10)

Question 6

6. Discuss four (4) key factors that the entrepreneur would have to consider in choosing a location for his or her business. (8)

Question 7

7. An entrepreneur can conduct business through various forms of enterprise. Outline five (5) factors and entrepreneur should consider in choosing a form of enterprise. (10)

TOTAL MARKS 100