



NAMIBIA  
UNIVERSITY  
OF SCIENCE AND  
TECHNOLOGY

**HP-GSB**  
HAROLD PUPKEWITZ  
Graduate School of Business

**FACULTY OF COMMERCE; HUMAN SCIENCES AND EDUCATION**

**HAROLD PUPKEWITZ GRADUATE SCHOOL OF BUSINESS**

<b>QUALIFICATION:</b> DIPLOMA IN BUSINESS PROCESS MANAGEMENT	
<b>QUALIFICATION CODE:</b> 06DBPM	<b>LEVEL:</b> 6
<b>COURSE CODE:</b> IBM511C	<b>COURSE NAME:</b> INTRODUCTION TO BUSINESS MANAGEMENT
<b>SESSION:</b> NOVEMBER 2024	<b>PAPER:</b> PAPER 1
<b>DURATION:</b> 3 HOURS	<b>MARKS:</b> 100

**FIRST OPPORTUNITY EXAMINATION – QUESTION PAPER**

<b>EXAMINER(S)</b>	Ms. O. Kangandjo
<b>MODERATOR:</b>	Ms. J. Hambabi

**INSTRUCTIONS**

1. Answer ALL the questions.
2. Write clearly and neatly.
3. Number the answers clearly.

**PERMISSIBLE MATERIALS**

1. Examination paper
2. Examination script
3. Calculator

**THIS QUESTION PAPER MEMO CONSISTS OF 8 PAGES (INCLUDING THIS FRONT PAGE)**

## SECTION A

### Question 1

[2x20 = 40 Marks]

Indicate your answers next to each corresponding number in the examination booklet. For example:

1.1 c

- 1.1 Which of the following statements is not true for a business with a legal personality?
- The business is dependent on its members.
  - The business is recognised as a legal subject alongside natural persons or individuals.
  - The business has its own rights, assets and obligations.
  - The business's existence is not affected by changes in its membership
- 1.2 XYZ Company wants to introduce a new product. They conduct surveys, focus groups, and analyze sales data to understand what customers want. What process is XYZ Company engaging in?
- Market Research
  - Public Relations
  - Product Placement
  - Price Analysis
- 1.3 Management perform which of the following activities?
- selling
  - directing the activities of employees
  - stock merchandise
  - ordering merchandise
- 1.4 Which management function involves setting objectives and deciding how to achieve them?
- Organizing
  - Planning
  - Controlling
  - Leading
- 1.5 According to Maslow's Hierarchy of Needs, which need is at the top of the pyramid?
- Esteem needs
  - Self-actualization
  - Social needs
  - Safety needs
- 1.6 Which of the following is an example of innovation?
- Opening a new branch of an existing store
  - Developing a new product that meets a unique need
  - Hiring new employees for existing roles
  - Reducing the prices of products
- 1.7 John owns a farm where he grows crops. He uses a tractor, employs workers, and finances his operations with a loan from a bank. In this scenario, what does the tractor represent?
- Labor
  - Capital
  - Land
  - Entrepreneurship

- 1.8 Which of the following is not considered as one of the forces of Michael Porter?
- buyers
  - substitute products
  - intermediaries
  - suppliers
- 1.9 Which of the following will you consider a novelty for entrepreneurship?
- the government can easily provide you capital
  - your chances of becoming rich has been paved
  - creating jobs for yourself and your country
  - all of the above
- 1.10 Which of the following are not elements of Maslow's Hierarchy of needs?
- esteem needs
  - self-actualisation needs
  - psychological needs
  - social needs
- 1.11 What is the primary role of management in an organisation?
- To minimize profits
  - To maximize customer complaints
  - To achieve organisational goals
  - To create competition with other organisations
- 1.12 Which type of a business organisation is owned by shareholders?
- Sole proprietorship
  - Partnership
  - Company
  - Franchise
- 1.13 Which of the following is an advantage of a sole proprietorship?
- Unlimited liability
  - Limited access to funding
  - Complete control by the owner
  - Double taxation
- 1.14 Which of the following is NOT considered a factor of production?
- Labor
  - Capital
  - Technology
  - Land
- 1.15 A company selling luxury watches decides to target high-income individuals who value status and quality. What type of market segmentation are they using?
- Geographic
  - Behavioral
  - Demographic
  - Psychographic
- 1.16 Which leadership style is characterized by leaders who delegate authority and allow employees to make decisions?

- a. Autocratic
  - b. Transactional
  - c. Laissez-faire
  - d. Bureaucratic
- 1.17 XYZ Corporation uses annual reviews to assess how well each employee is performing. Based on the review, employees may receive training to improve their skills. What HR function is XYZ Corporation using?
- a. Recruitment
  - b. Training and Development
  - c. Performance Appraisal
  - d. Compensation
- 1.18 An enterprise is considered a legal/juristic personality when the:
- 1. members are liable for the debts and obligations of the juristic person.
  - 2. enterprise has its own rights, assets and obligations.
  - 3. members enjoy limited liability as they stand to lose only the capital they have contributed.
  - 4. enterprise's existence is not threatened by changes in its membership.
- a. 1,2,3
  - b. 1,4
  - c. 2,3,4
  - d. 1,2,3,4
- 1.19 The cost that vary with the level of production is
- a. Semi Variable costs
  - b. Semi fixed costs
  - c. Direct costs
  - d. Variable costs.
- 1.20 Which of the following is NOT a function of management?
- a. Planning
  - b. Staffing
  - c. Controlling
  - d. Investing

**Question 2****[26 Marks]**

Indicate whether the following statements are True or False in the examination booklet provided.

No.	Question
2.1	The profit of a close corporation is not taxed in the hands of its members.
2.2	Abraham Maslow identified five basic human needs as the prime driving force for needs satisfaction and thus human behaviour.
2.3	In free market economic systems decisions as to the allocation of resources are taken by individual producers and consumers.
2.4	The profit of a close corporation is taxable in the hands of its members.
2.5	A sole trader has limited liability and of course legal personality.
2.6	A franchisee has independence to operate his/her store.
2.7	Quantitative guidelines for defining SMME's include a simple organisational structure that is independent, privately owned and managed.
2.8	Management by objectives is a goals setting technique and employees could establish performance targets.
2.9	The legal-political environment is influenced by the variables in the micro environment.
2.10	Through organising, management allocate resources and activities to different functional components in the organisations.
<b>TOTAL 10marks</b>	



## SECTION B

### Question 3

[36 Marks]

3.1 Define the following the concepts.

- a) Entrepreneurship (2)
- b) Franchise (2)
- c) Business environment (2)
- d) Planning (2)
- e) Marketing (2)

3.2 John is a budding entrepreneur in Windhoek, Namibia. He's interested in starting his own business but is unsure about managing all aspects of a new startup. After some research, he decided to purchase a franchise for a popular fast-food chain that has been successful in South Africa and is expanding into Namibia. Why would you encourage John to go ahead with his decision to buy into a franchise system? (6)

3.3 Maria and Jacob are two friends from Namibia who want to start a business selling eco-friendly products. They have saved up enough capital and are excited to begin. However, they are unsure which form of legal ownership would be best for their business. Advise Maria and Jacob about any five factors they must consider when choosing a form of legal ownership. (5)

3.4 Porter's Five Forces Framework is an essential tool for understanding the competitive environment of an industry. By analysing the five key forces, companies can develop strategies to gain a competitive advantage and improve their profitability. You are required to draw Michael Porter's five forces model. (5)

**Question 4**

**[24 Marks]**

Study the Balance sheet of Hakahana Dealers and answer the questions below:

Hakahana Dealers			
Statement of Financial Position as at 30 April 2023			
ASSETS		LIABILITIES	
<i>Current Assets</i>		<i>Current Liabilities</i>	
Cash	22,225	Accounts payable	18,250
Accounts receivable	42,200	Wages	21,900
Inventory	98,200	Payroll taxes payable	3,525
Prepaid expenses	5,340	Short-term bank	5,700
<b>TOTAL CURRENT ASSETS</b>	<b><u>167,965</u></b>	<b>TOTAL CURRENT LIABILITIES</b>	<b><u>49,375</u></b>
<i>Long-Term Assets</i>		<i>Long-term Liabilities</i>	
Vehicles	68,500	Debentures	85,200
Furniture and fixtures	21,450	Mortgage Loan	120,600
Equipment	33,000	<b>TOTAL LONG-TERM LIABILITIES</b>	<b><u>205,800</u></b>
Buildings & Land	402,500		
<b>TOTAL LONG-TERM ASSETS</b>	<b><u>525,450</u></b>	<b>TOTAL LIABILITIES</b>	<b>255,175</b>
		Owner's Equity	438,240
<b>TOTAL ASSETS</b>	<b><u>693,415</u></b>	<b>TOTAL LIABILITIES &amp; OWNER's EQUITY</b>	<b><u>693,415</u></b>

4.1 Calculate the following ratios:

(a) Liquidity ratios (6)

(b) Solvency ratios (6)

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

4.2. Use the information below and answer the question that follows:

Selling price = N\$170.00

Lease and rent payments = N\$1300 000.00

Telephone expense = N\$40.00

Salaries = N\$ 100 000.00

Water and Electricity = N\$30.00

Calculate the break-even point in units. (7)

**Show all workings / (formula) to obtain full marks.**

4.3 Assume you need to have exactly N\$40,000 saved 10 years from now. How much should you deposit today in an account that pays 6% interest, so that you reach your goal of \$40,000 if the investment is compounded annually? (5)

**END OF QUESTION PAPER**