



PAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY
FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION
DEPARTMENT OF GOVERNANCE AND MANAGEMENT SCIENCES

QUALIFICATION: BACHELOR OF MANAGEMENT	
QUALIFICATION CODE: 07BBMA	LEVEL: 6
COURSE CODE: BMI511S	COURSE NAME: INTRODUCTION TO BUSINESS MANAGEMENT
SESSION: JULY 2023	PAPER: 1
DURATION: 3 HOURS	MARKS: 100

SECOND OPPORTUNITY EXAMINATION QUESTION PAPER	
EXAMINER(S)	Mr B. Zealand Mr K. Uirab Dr M. Waiganjo Ms M. Namhindo Ms O. Kangandjo
MODERATOR:	Ms E. Olivier

INSTRUCTIONS	
1.	Answer all questions in the booklet provided.
2.	Read all the questions carefully before answering.
3.	Marks for each question are indicated at the end of each question.
4.	Please ensure that your writing is legible, neat, and presentable and start each Section on a new page.

PERMISSIBLE MATERIALS

1. Examination question paper
2. Examination answer sheet
3. Calculator

THIS QUESTION PAPER CONSISTS OF 5 PAGES (Including this front page)

SECTION A

[40 MARKS]

Question 1- Multiple Choice Questions

(2x 10 = 20 marks)

1. Which of the following descriptions of an entrepreneur is false?
 - A. An entrepreneur has innovative ideas
 - B. An entrepreneur takes impulsive decisions
 - C. An entrepreneur exploits resources
 - D. An entrepreneur identifies opportunities

2. Which one of the below is not an example of quantitative criteria for defining a small business.
 - A. Type of organisational structure
 - B. Sales volume
 - C. Market share
 - D. Value of assets

3. The primary task of business management is to
 - A. provide solutions for the management problems experienced in business enterprises.
 - B. study the economic needs that have to be satisfied in the community.
 - C. examine the factors in the macro-environment that influence activities in the micro-environment.
 - D. determine how an enterprise can achieve the highest possible outcome with the least possible input.

4. Which one of the following is a disadvantage of buying an existing business?
 - A. There will be an established customer base.
 - B. Financing may be easily available for the buyer.
 - C. Employees are inherited rather than chosen.
 - D. Planning can be done based on known historical data.

5. Which of the following would be considered as characteristic of a private company only?
 - A. It has a legal personality independent of its owners.
 - B. The many legal requirements of a company make it a complicated and expensive form of business ownership.
 - C. Limited transferability of shares.
 - D. Capital is provided by shareholders.

6. Which of the following could not be considered as a location factor?
 - A. Availability of capital
 - B. Attitude, regulations, and tariffs of local authorities
 - C. The existing business environment
 - D. The political environment

7. The following are described in the memorandum except:
 - A. the principal objectives of the company
 - B. shares and share certificates
 - C. the share capital and its composition
 - D. specific competence that the company has

8. According to a definition of an organisation, it is characterised by the following, except:
- purpose
 - people
 - structure
 - product
9. According to Maslow's hierarchy of needs, if a person's esteem needs have been satisfied, then it is safe to assume that all the following needs have also been satisfied except:
- belonging
 - self-actualisation
 - work-avoidant
 - safety and security
10. Mike is the CEO of Safety Xpress, a company specializing in road safety equipment. As part of the top management team at Safety Xpress. Mike is focusing on increasing his _____ skills as this is the most important skill needed at top level management.
- conceptual
 - technical
 - behavioural
 - interpersonal

Question 2 – True or False

[1 x 20 = 20 marks]

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

2.1	Private and Public companies have the same structure and requirements for establishment.
2.2	Another name for the micro-environment is the "Decision-Making" Environment.
2.3	A partnership has a minimum of 2 shareholders.
2.4	Political skills are related to the ability to enhance one's position, build a power base, and establish the right connections.
2.5	The primary distinction between operatives and managers is that operatives have employees who report directly to them.
2.6	A financial lease is a long term loan.
2.7	The Close Corporation has a maximum of 10 shareholders.
2.8	Capital is the amount that each shareholder receives from the share of profit.
2.9	Delegation is one of the four components of the management process.
2.10	A job specification describes the nature of the work and the performance expected from the employee.
2.11	Secondary stakeholders could include environmental NGO's.
2.12	The government does not in any way intervene in all three economic systems.
2.13	It is not a basic requirement that all businesses be registered with the government.
2.14	Social responsibility is the ability of the firm to adapt to changing societal conditions.
2.15	One of the factors to be considered when choosing a business is Location.
2.16	In a free-market economy, business organisations may not exploit the consumer.
2.17	Having too much capital is a major challenge facing growing entrepreneurial ventures.
2.18	A public company has a minimum of 1 shareholder.
2.19	Demand for human resources is a result of demand for the products or services provided by the organisation.
2.20	Examples of common variable costs include raw materials, packaging, and labor directly involved in a company's manufacturing process.

Question 3

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

The following are extracts from the financial statements of Johannes CC. Make use of the information provided to answer the questions below.

Johannes CC	
Balance sheet extracts for the year ended 31 March 2018	
Fixed Assets	N\$ 1 200 000
Current Assets	N\$ 1 401 000
Stock	N\$ 1 200 100
Cash	N\$ 0
Bank	<u>N\$ 200 900</u>
Current liabilities	N\$ 401 000
Capital/ Owner's Equity	N\$ 300 000
Creditors	N\$ 101 000

Johannes CC	
Income statement extracts for the year ended 31 March 2018	
Sales	N\$ 1 350 450
Gross profit	N\$ 540 180
Expenses	N\$ 389 500
Net Profit Before Tax	N\$ 92 180
Taxation	N\$ 27 654
Net Profit	N\$ 64 526

Use the information above and calculate the following accounting ratios:

- 3.1. Liquidity ratios (indicate whether it is favourable or not) (6)
- 3.2. Profitability ratios (6)
- 3.3. Determine the amount that you should deposit in order to have N\$ 90 000 in an account that pays an annual interest rate of 12% discounting semi-annually, over a period of 10 years? (8)
- 3.4. Anyamba Enterprises incurs the following expenses monthly for selling designers jewelry.
 Insurance – N\$16 000
 Raw material – N\$30 000
 Indirect cost – N\$4 000
 Electricity – N\$2 000
 Machinery – N\$30 000
 Fuel – N\$3 000
 Salaries of administration staff – N\$350 000
 Telephone – N\$5 000
 Calculate the break-even point for Anyamba Enterprises in units, if they sell each item at N\$50 000. (5)

Question 4

- 4.1 Various organisational structures may be developed through departmentalisation. Discuss any four forms of departmentalisation. (8)
- 4.2 List the steps that one could follow when segmenting a market? (4)
- 4.3 The nature and intensity of competition in a particular industry are determined by Michael Porter's five forces of competitiveness. Discuss. (10)
- 4.4 Marketing communication is regarded as a process of informing, persuading and reminding the consumer of new or existing products. Discuss any five elements that could be used in a specific combination to communicate with consumers. (10)
- 4.5 List any three employee motivational strategies. (3)

TOTAL MARKS: 100