

UNIVERSITY OF E-SWATINI

FACULTY OF EDUCATION

DIPLOMA IN ADULT EDUCATION III

FINAL EXAMINATION, NOV/DEC., 2019

COURSE CODE: AED307

**PAPER TITLE: INTRODUCTION TO SMALL-SCALE BUSINESS
MANAGEMENT**

WEIGHT: 100 MARKS

TIME ALLOWED: THREE (3) HOURS

**INSTRUCTIONS: ANSWER ALL QUESTIONS IN SECTION A AND THREE (3)
QUESTIONS IN SECTION B, FOUR (4) QUESTIONS
ALTOGETHER**

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TO DO SO**

Section A

For the questions below, choose the letter that best corresponds with your response

1. Research on 'entrepreneurs' has shown them to be:
A. Ambitious B. willing to take risks C. passionate D. all of the above
2. Which of the following is a type of intangible business property that is protected by law?
A. Acreage B. inventory
C. Trademark D. equipment
3. Jose and Carlos pass out flyers to advertise their lawn-mowing business. By advertising, they are hoping to increase the _____ for their mowing services
A. Supply B. capital costs C. demand D. opportunity costs
4. Truly entrepreneurial businesses are characterised by _____ in their products, services, or business models.
A. Imitation B. novelty C. experience D. government subsidy
5. By being committed, entrepreneurs are said to be able to:
A. Spot trends B. be competitive
C. Act in a decisive manner & have faith in their ability to solve problems
D. Make personal sacrifices to achieve their goals
6. What tells people how scarce a good or service is compared to other goods and services?
A. Profit B. popularity C. price D. supply E. opportunity cost
7. The first step in starting a business is:
A. Self-assessment B. linking with a business federation C. conceiving the idea
D. Selecting the form of business organisation E. business planning
8. Entrepreneurs:
A. have less personal drive than small business owners B. have more time to take vacations
C. succeed based upon having a great concept for a product or service D. are the company
9. The written document that details the idea for a new business is known as a(n):
A. Self-assessment B. organisation form C. idea and problem diary D. self-assessment
10. When counting change back to a customer, you should always give the amount of coins possible
A. Best B. least C. most D. correct
11. Either: (a) Making a purchase you had not planned for is called:
A. Consumer shopping B. warranty C. impulse buying D. comparison shopping
Or: (b) Which of the following pairs of businesses are examples of direct competitors:
A. Ryan's Drug-store and Amaryl's Home-made Cards

B. Lucy's Clothes Boutique and Cherry's Hard-ware

C. Hot n' Spicy Wings and Tom's Fried Chicken House?

12. What things could you change to adjust your profit?

- A. Price B. number C. less expensive supply sources D. all of the above

13. Either: (a) A business plan is a(n):

- A. Power-Point (PPT) presentation that entrepreneurs give to sponsors in order to raise money B. document that business owners look at before they acquire a new franchise
C. Written document that describes a business and how it will operate D. description of the business to be distributed to marketing companies for product promotion

Or: (b) Which of the following is the purpose of a business plan?

- A. To attract financing
B. To inform competitors of plans
C. To discipline entrepreneur of all aspects of the proposed venture
D. Options (A) and (C) only

14. What is the correct sequence of the following functions of a manager in a business firm?

1. Motivation, 2. Controlling, 3. Organising, 4. Planning. Select the correct answer using codes given below

- A. 4, 3, 2, 1 B. 4, 3, 1, 2 C. 3, 4, 2, 1 D. 3, 4, 1, 2

15. During the month of July 2019, sales at Bata Shoe Mart totaled E2 500. The shoes had cost E1 025. The owner paid E865 for insurance, rent and utilities during. The E610 left over represents the owner's

- A. Gross profit
B. Net Surplus
C. Net profit
D. Sales income
E. Operating costs

Completion: Fill in the blanks

16. A..... can become an entrepreneur

17. The output of production divided by the inputs used in production is called p.....

18. When a person makes an economic decision as a producer or consumer, s/he should compare both the costs and the.....

19. Basic necessities (e.g. bread, fuel) have their prices by the government

20. ----- is an example of a (professional) service business undertaking

[20 x 2 = 40 marks]

Section B

Question 1

Identify and discuss four (4) criteria for classifying enterprises into micro, small-scale or medium-sized business [4 x 5 = 20 marks]

Question 2

Several sources exist by which to finance business start-ups. Discuss four (4) such sources

[4 x 5 = 20 marks]

Question 3

(a) What do you understand by 'management'? [5 marks]

(b) The role of management cannot be over-emphasised in making sure a small business achieves its goal of maximising profit. Explain three (3) such roles, using suitable examples to support your answer [3 x 5 = 15 marks]

Question 4

(a) Explain in your words, a 'business plan' [5 marks]

(b) Identify and discuss three (3) key components of a business plan [3 x 5 = 15 marks]

[Total marks = 20]

End of Question Paper