

Centre Number	Candidate Number	Candidate Name
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NAMIBIA SENIOR SECONDARY CERTIFICATE

ENTREPRENEURSHIP ORDINARY LEVEL **4344/1**

PAPER 1 2 hours

Marks 100 **2018**


Additional materials: Non-programmable calculator
Pencil
Protractor
Ruler

INSTRUCTIONS AND INFORMATION TO CANDIDATES

- Candidates answer on the Question Paper in the spaces provided.
- Write your Centre Number, Candidate Number and Name in the spaces at the top of this page.
- Write in dark blue or black pen.
- You may use a pencil for any rough work, diagrams or graphs.
- Do not use correction fluid.
- Do not write in the margin *For Examiner's Use*.
- You may use blank pages for calculations/when answers are crossed out and corrected.
- Answer **all** questions.
- **Your answers must be based on the case studies and your own enterprise experience and knowledge.**
- The number of marks is given in brackets [] at the end of each question or part question.
- You may use a non-programmable calculator.

For Examiner's Use		
Section A		
Section B		
11		
12		
TOTAL		
<i>Marker</i>		
<i>Checker</i>		

This document consists of **14** printed pages and **2** blank pages.



Republic of Namibia
MINISTRY OF EDUCATION, ARTS AND CULTURE

SECTION A

Answer **all** questions.

1 Define *unemployment*.

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[2]

2 State **four** steps to consider when starting an enterprise.

1.....

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[4]

3 Discuss **two** benefits of entrepreneurship in society.

1.....

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[2]

4 Explain **two** qualities of a successful entrepreneur.

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2.....

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[4]

5 Define *internal* and *external communication* in enterprises.

Internal communication.....

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External communication.....

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[4]

6 Describe **three** situations which can create entrepreneurial opportunities.

1.....

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[6]

7 (a) Explain what is meant by *Team Namibia*.

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[2]

(b) State **three** aims of Team Namibia.

- 1.....
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- 2.....
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- 3.....
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[3]

8 Explain **two** benefits to an entrepreneur of having a good credit history when obtaining funding.

- 1.....
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- 2.....
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[4]

9 Explain **two** impacts of unethical behaviour on an enterprise.

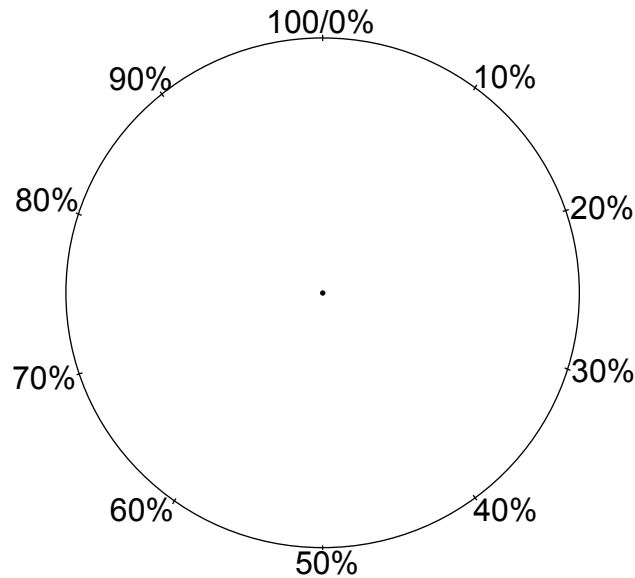
- 1.....
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- 2.....
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[4]

10 Study the table, which shows types of franchises in Namibia and their percentages.

Types of franchise	Percentage
Car dealers	25
Clothing retailing	40
Entertainment	10
Fast food	20
Petroleum retailing	5

Complete the pie chart for each of the types of franchise, using the data in the table.



Key

Car dealers	
Clothing retailing	
Entertainment	
Fast food	
Petroleum retailing	

[5]

[40]

SECTION B

Answer **all** questions.

11 MEATCO'S BEEF EXPORTS EXCEED N\$1,285 BILLION

Meatco's beef exports for the 2015/16 financial year amount to N\$1,285 billion. This is a direct contribution by beef producers to the corporation's export earnings, says the company's acting chief financial officer Bernard Zulch.

In this financial year, Meatco increased its overall producer prices of carcass weight by N\$0,15 per kg in comparison to the previous year. The average producer price for 2015/16 amounted to N\$29,98 per kg compared to N\$29,83 per kg for the corresponding period during the 2014/15 financial year. This resulted in total payments to their producers amounting to N\$849 483 330,00 representing 62,35 percent of the country's beef revenue.

Prices were not only driven by market trends in southern Africa. The total premiums paid by Meatco over and above the South African price amounted to more than N\$61 million. This represents N\$2,27 per kg, with the majority of the premiums going to farmers producing B-grade and C-grade cattle (N\$3,21 and N\$1,93 respectively).

By contributing to the economy, the agricultural sector not only generates employment for farm workers, but also for employees of institutions like Meatco and other industries in the supply chain.

The growth of the sector is important to the country in terms of skills development for emerging farmers, and increased output for all producers. However, this relies heavily on all farmers, especially those in communal areas, consistently striving towards improving the quality of their livestock.

Farming, and specifically beef production, is an important and strategic part of Namibia's agricultural industry. The industry creates an income for farmers when they sell their animals to abattoirs, while creating export earnings for the country through the sale of meat products to Europe and other markets.

Given the significant contribution the agricultural sector plays in the economic prosperity of more developed countries, its role in the economic progress of less developed countries is of vital importance.

Importance of quotas to Meatco: As a meat processing and marketing organisation, Meatco serves markets locally and internationally on behalf of Namibian producers.

Being a net exporter of beef means the country produces more beef than is consumed locally and Meatco tends to seek out the most lucrative markets for Namibian products worldwide.

As the first link between the farmers and the end-consumer, Meatco exports most of the product to international markets, while a smaller portion serves the local market through the MeatMa value-added product range.

"The value of our international markets increased by 29,9 percent, while the volume sold there also increased by 8,5 percent, confirming how important our high value international markets are to the success of our business," says Meatco executive for marketing and sales Mr Khaiseb.

Norway is a very rewarding market for Namibia and the hope is that as many producers as possible will benefit from that market.

Meatco was awarded a total allocation of 1 200 tonnes of Norwegian beef quota, which translates to 75 percent of the total quota for 2016. At the halfway mark of the year Meatco has used just over 50 percent of the allocated quota.

According to Mr Khaiseb, Meatco's international markets (the EU, Norway and UK), accounted for 74,07 percent of the company's sales volume compared to the local market, which accounted for 9,91 percent, thus giving a clear indication of how important the international markets is to local beef producers.

In conclusion, Mr Khaiseb highlighted that through the MeatMa initiative, the company moves closer to the Namibian end-consumer, maximising returns for the producer and corporation, while ensuring that quality and hygiene standards are maintained.

(Adapted from article published in New Era, 14 July 2016)

(a) Suggest **two** examples of other industries in the supply chain as mentioned in paragraph 4.

1

2

[2]

(b) Explain **two** ways how an effective enterprise network can contribute to the success of Meatco.

1

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2

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[4]

(e) State **three** aims of Namibian Standard Institution (NSI) that Meatco should adhere to when producing its meat products.

1.....

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[3]

(f) Analyse the success of Meatco on international markets, using the information in the case study.

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[5]

(g) Identify **one** component of the marketing mix (4Ps) including a relevant example from the case study.

Component

Example

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[2]

(h) Advise Meatco executive Mr Khaiseb on how to practice social responsibility in Namibia.

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[3]

[30]

12 BEYOND BEAUTY IS A SHINING GEM

Beyond Beauty World CC is a 100 percent owned Namibian beauty company that was started in July 2011 by Christofine 'Kito' Kandjibi.

Kito, as she prefers to be called, felt unfulfilled in her previous job of seven years, and took a leap of faith by deciding to focus on building her own enterprise full-time. The thought of building her own company was further ignited when she stumbled across a South African cosmetic line called New Shades Cover and Beauty Products. She negotiated with the New Shades suppliers to acquire the exclusive distribution rights for Namibia, since their products were relatively new in the country at that time.

Kito knew that she needed to invest a lot of time into product awareness, and she therefore developed a nationwide marketing strategy that involved in-store promotions at different beauty shops, salons and pharmacies.

"With that background, it became a natural progression for me to open a salon, although the idea was firstly initiated by a friend, who recommended that I start buying these products. My enterprise has grown organically since inception, to a fully developed salon and spa. The shop is a one-stop spot for all hair, beauty, nails and spa services under one roof, making it a unique concept that serves our diverse clientele," she said.

From the onset in 2011, Kito employed about 21 employees, although the number has varied over the years, depending on the need and demand for the various services rendered at her beauty shop.

Besides growing her enterprise, Kito also has an urge to impart her vast knowledge. She has started hosting a series of beauty workshops, one of which was held recently at Windhoek's Wine Bar.

"The brow grooming workshop attracted more than 20 aspiring young lady entrepreneurs and I also have upcoming workshops, which will encompass a facial products workshop and highly anticipated make-up workshop. These will empower young women with skills and knowledge on how to incorporate the latest trends in beauty, to improve their confidence levels, as well as groom their confidence levels as women."

"We also offer short modular courses on all services that we provide for the young and unemployed, and working individuals who aspire to have a career in the beauty industry, as the opportunities are plenty. Training can be done at flexible times, as per client request," she said.

Kito said the Beyond Beauty sales and marketing strategy has always utilised social media to impact upon its market. She said her company was one of the very first beauty salons in Namibia, and Windhoek in particular, which actively started using social media to market their products and services.

"Secondly, the most significant highlight was when we launched our Make-up and Brow Studio, becoming one of the first salons to have that."

Kito believes there is a need to have qualified professionals covering all areas of the enterprise, as well as enough capital. "Our advertising is also only limited to social media. It could be broadened through advertising in other media, such as magazines, television and newspapers, among others. Our pricing is slightly higher compared to others, because of the exclusive nature of the enterprise model and the professional service that we use. Plans are already underway to further grow the enterprise into the regions and also make it an international brand, but we must take the first key step to increase our branches countrywide, as we are still only having salons in Windhoek".

Kito did not receive any funding from the government to start and grow her enterprise, but has relied on local banks.

She said that she has learned some hard lessons over the years.

She plans to expand her enterprise to at least three other regions in Namibia and engage with partners to grow the brand.

"We are currently looking at providing mobile beauty and spa services, including corporate services".

"We hope to have a functional training and development division or unit that will help us to produce more stylists and therapists with the right skills to do the work, and also be in a position to accept more students on job attachments."

"This will contribute to job creation and improve the quality of life for young people, whom I continue to have a deep passion to groom and develop," Kito added.

(Adapted from article published in Windhoek Observer, 30 June 2016)

(a) Define the term *negotiation*.

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[2]

(c) (i) State **three** differences between a close corporation (cc) and sole traders.

Characteristics of the CC	Characteristics of a Sole Trader
1.....	1.....
2.....	2.....
3.....	3.....

[6]

(ii) Justify why Kito chose her current form of ownership.

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[2]

(d) Kito did not receive any funding from the government to start and grow her enterprise.

List **three** government incentives that entrepreneurs such as Kito can benefit from in Namibia.

1.....
 2.....
 3.....

[3]

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