

Candidate Number

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Candidate Name

# JUNIOR SECONDARY CERTIFICATE

**ENTREPRENEURSHIP**
**1505/1**

PAPER 1

2 hours

Marks 100

**2019**

Additional Materials: Non-programmable calculator

## INSTRUCTIONS AND INFORMATION TO CANDIDATES

- Write your Candidate Number and Candidate Name in the spaces at the top of this page.
- Write your answers on the Question Paper in the spaces provided.
- Write in dark blue or black pen.
- Use a pencil for diagrams, graphs or rough working.
- Do not use correction fluid.
- Answer **all** questions.
- The number of marks is given in brackets [ ] at the end of each question or part question.
- You may not need all the answer lines for each question.

<i>For Examiner's Use</i>		
<b>A</b>		
<b>B: 11</b>		
<b>12</b>		
<b>13</b>		
<b>Total</b>		
<i>Marker</i>		
<i>Checker</i>		

 This document consists of **15** printed pages.


Republic of Namibia  
**MINISTRY OF EDUCATION, ARTS AND CULTURE**

**SECTION A**

**1** Name **one** advantage and **one** disadvantage of cooperatives.

Advantage.....

.....

Disadvantage.....

.....

[2]

**2** Advice how you can turn the following waste materials into a business idea.

Tins.....

.....

Wires.....

.....

[2]

**3** Give **two** components of a business plan.

1.....

2.....

[2]

**4** State **two** personal benefits and **two** challenges of self employment.

Benefits

1.....

.....

2.....

.....

Challenges

1.....

.....

2.....

.....

[4]

**5** List **two** effects of population growth on the natural environment.

1.....

2.....

[2]

6 State **two** reasons why bookkeeping is important for a business.

1.....

2.....

[2]

7 Name and explain **two** marketing mix tools.

1.....

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2.....

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[4]

8 State **three** items which should be included in compiling a primary market research report.

1.....

2.....

3.....

[3]

9 List **two** advantages of partnerships.

1.....

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2.....

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[2]

10 Explain the term *entrepreneur*.

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[2]

[25]

## SECTION B

## 11 LAUNDROMAT HITS PAY DIRT

Jarno Cosa Pandeni is a young Namibian entrepreneur of only 22 years. He is running his own business called *The Laundry Room*.

*The Laundry Room* is a very small laundromat in Windhoek West. Since a tender age Pandeni has always has a passion for business. "Although I grew up with my late father who was a politician, I chose to follow in the footsteps of my mother who was in business. During my high school years I was involved in entrepreneurship projects where I was crowned as a top achiever," he says.

The idea of *The Laundry Room* came to Pandeni after making many trips every weekend to one of the existing laundromats in Windhoek to have his clothes washed. He felt that he could offer more and saw a gap in this market. "Customers can send us an sms text and we will come pick up their clothes and bring them back free of charge," he says. "We also wash items that other laundromats or dry cleaners won't touch, such as bed linen, racing suits, sleeping bags or lawyer's robes," he mentions.

Pandeni approached Bank Windhoek for a loan and currently employs two full time employees for his business. "Hard work pays off at the end of the day. Business is not only about driving expensive cars or sitting in a comfortable chair, it takes determination and perseverance to achieve your goals. With the high rates of unemployment in the country, every citizen is challenged to meet the government half-way and ensure that they have done their part in alleviating poverty and unemployment for their families and the community at large," Pandeni says.

Pandeni dreams of owning his own business empire one day as "business is my passion," he says. There are good business people that operate on the right ethics and work extra everyday to achieve their goals.

"*The Laundry Room* is there to cater for the laundry needs of all people from different walks of life in and around Windhoek," Pandeni says. "We are growing our customer base everyday and are working on building long-term relationships with the clients, by providing fast, efficient and outstanding customer service."

(Adapted from SME Gazette, Issue 4/Volume 2, October 2012)

(a) (i) Identify the type of business Pandeni is running.

..... [1]

(ii) Identify the form of ownership of Pandeni's business.

..... [1]

**(iii)** Explain **two** ways in which Pandeni's business is important to the Windhoek community.

1 .....

.....

2 .....

..... [2]

**(iv)** Outline **two** qualities that Pandeni believes makes entrepreneurs successful.

1 .....

2 ..... [2]

**(v)** Discuss **one** challenge Pandeni might experience as an entrepreneur.

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..... [2]

**(b) (i)** Advice Pandeni by explaining the importance of customer care in his business.

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..... [3]

(ii) Advice Pandeni on solutions on how to overcome entrepreneurial challenges.

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.....  
..... [3]

(iii) Discuss why the following business ethics will be important to Pandeni's business.

Punctuality.....  
.....  
Honesty.....  
..... [4]

(c) (i) List **two** factors which determined the size of Pandeni's business.

1.....  
.....  
2.....  
..... [2]

(ii) Explain **two** factors Pandeni have considered when he estimated his capital requirements.

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..... [4]

(d) Suggest **one** business you could start based on Pandeni's business.

*For  
Examiner's  
Use*

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[1]

[25]

## 12 BRICK MAKING BOOM HITS THE NORTH

The dramatic business and population growth spurt, in the central northern regions of Namibia, has given the brick-making business an invigorating lift.

"I thought this could be a good business. I realised there was a big need," Shigwedha explained. Today, in full production, he and his crew can produce up to 1 000 bricks per day. And despite the mushrooming of the brick making businesses across the regions in the past three years, Shigwedha admits that the demand still outstrips the supply. "There is still a big need, despite so many of these businesses. Its a good business," he says.

Shigwedha too has evolved in his business in the past three years and today he employs a full time staff of three. He has also been able to increase productivity by purchasing two brick making machines, giving him the means to produce around 2 000 bricks a day.

A lot of people want to buy bricks, but there are never enough. They are building houses, yards and Cuca shops," he says, explaining the overwhelming need for building materials. In addition Shigwedha employs part-time workers, mostly women, to help with the loading and stacking of bricks. Orders range from about 800 to 1 000 bricks at a time, costing N\$2,80 per brick. This is cheap compared to other areas, where bricks can go for N\$3,50. "We are very cheap," he says.

Shiwgedha points out that although many in the North appear to be poor, people know how to save. In this way, they are able to afford the bricks needed to build homes and small, one room houses in which to house shops and bars.

The brick making business fullfils a very important role in the North, because of the demand. Also, it increases employment opportunities.

Challenges, as in any business sector, remain. According to Shigwedha, transport, which is essential to the business, is problematic. "Buyers expect the bricks to be delivered to the site where they build, and due to the spread-out of the population in the regions it can be difficult to access sites. Buying trucks or vans suitable for the job, also incurs serious costs," he says.

Shigwedha says the industry has the potential to be even more robust and there is room for growth, if capital injections are made. "We need more machinery and transport. Then we could employ more people and produce more, if we could have assistance from government."

Shigwedha knows that a strong sector can divert poverty.

*(Adapted from The Namibian, 7 September 2010)*

**(a) (i)** List **two** skills that Shigwedha should posses in his career choice.

1 .....

2 ..... [2]



(ii) Describe **one** way in which the brick project benefits from the natural environment.

.....  
..... [2]

(iii) Identify and explain the method of production used by Shigwedha's business.

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.....  
.....  
..... [2]

(iv) Describe the type of business Shigwedha is running.

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.....  
..... [2]

(v) Identify **two** direct costs of Shigwedha business.

1 .....  
2 ..... [2]

(b) (i) Identify **two** challenges of Shigwedha's business and develop **one** solution on how to overcome each challenge.

Challenge.....  
.....

Solution .....  
.....

Challenge.....  
.....

Solution .....  
..... [4]

(ii) The following figures are the cost Shigwedha incurs for the production of bricks on a monthly basis.

Indirect cost      N\$8 000

Direct cost        N\$41 000

He produce 24 750 bricks per month.

Calculate the unit cost per brick using the figures above. Show your calculations.

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..... [3]

(iii) Use your entrepreneurial knowledge and assist Shigwedha and set **one** standard on safety and health in his business.

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.....  
..... [2]

(c) List **two** components of the natural environment that Shigwedha depend on in his business.

1.....  
2..... [2]

(d) There is a need of money in Shigwedha's business.  
What will be **two** implications if he borrows money from a bank?

1.....

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2.....

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[4]

[25]

### 13 GARDENING IS A BLOOMING TRADE FOR *GREEN EARTH TRADING AND FARMING*

When Theo Ickua was a child, he used to help his family cut down trees in the forest to build their traditional Ovambo home. But as he grew older he developed a passion for planting and growing them instead - a passion that he cultivated into an expanding business.

Ickua's company in Windhoek, *Green Earth Trading and Farming*, has three subsections - nursery, landscaping and farming. In his nursery he grows trees for sale.

The startling thing however, is that he is self-taught: "At first I didn't know how to take care of them but I started reading up in the library," he says.

When he moved to Oranjemund he assisted in community projects to grow vegetables. "I volunteered with CDM a lot - like cutting lawns - while my friends played around or did this or that," he says. Now he cuts lawns and maintains gardens through the landscaping section of his business. "I also plan small gardens from scratch," he says, "but the main maintenance contract that I have is with the City of Windhoek, which I earned after I applied for a tender. I also do the basic gardening for the houses that a building contact in Swakopmund builds."

The third section of his company, farming, revolves around goats. "I have a few hundred on a small plot in the Otavi area," says Ickua. "I am trying to increase their numbers - and I grow my own lucerne to feed them," he says.

Overall, he spends about N\$20 000 per month on business expenses such as fuel, salaries and vehicle, and makes roughly triple that in profit.

And even that may increase as *Green Earth* continues to grow. Ickua was encouraged by SMEs Compete to approach the management of the *Trade Center* in Kleine Kuppe, asking for a small rental space to sell plants from. "I was unsure in the beginning but they agreed! First we were only operating on a weekend basis but the customers asked for this to be extended daily and now we are in the process of having a permanent spot. We also sell pots, fertiliser and compost," he says. In fact while working here he has been mistaken for an employee rather than the manager.

It took Ickua some time getting used to uncertain hours. "At the beginning I used to fear that I wouldn't work like in my eight-to-five job. Sometimes it's stressful, and I come home late," he says. He therefore recommends the following to budding entrepreneurs. "Follow your dreams. Initially you might not make as much money as you want, but you must do a good job," he says.

Ickua passes on the secrets of his success to his workers - three of whom are women - whom he trains in everything from planting to pruning. "I also pick up and drop them from work, I encourage them to save and talk about difficulties, and not to indulge in alcohol. I want a happy staff," Ickua says. So, he can safely say: "Oh yes, I honestly feel that I am giving back."

(Adapted from *The Namibian*, 22 February 2010)

(a) (i) List **three** tasks Ickua can perform in his business as a manager.

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

(ii) State **three** ways how Ickua motivate his employees.

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

(iii) Evaluate the impact of Ickua's business on

- lowering unemployment. ....
- .....
- .....
- reducing poverty. ....
- .....
- ..... [4]

(iv) Assist Ickua to complete **two** components of his business plan.

- Introduction .....
- .....
- .....
- .....
- Marketing Plan .....
- .....
- .....
- ..... [4]

**(b)** Do you think that the services provided by Ickua's business are beneficial for the future of all Namibians? Justify your answer.

*For  
Examiner's  
Use*

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[5]

(c) The following information was taken from the books of Green Earth Trading and Farming.

Fuel N\$2 500, Salaries N\$3 000, Income N\$50 100, Rent N\$3 500,  
Water and electricity N\$1 750, Trading Licence N\$1 500, Stationery N\$350,  
Insurance N\$2 400, Repair for vehicle N\$4 000, Purchases N\$1 000

Calculate the profit or loss made during this period.

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[6]

[25]